CENTRAL STATISTICAL OFFICE

# CSO Economic Trends

ARTICLES

Effects of taxes and benefits on household income 1982

Regional accounts, 1971-1981: new industrial classification

Public expenditure: definitions and trends

Monthly estimates of the public sector borrowing requirement

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## Release dates of economic statistics to be published in December 1983

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| Publication date | Series | Method of release | Source |
|---|---|---|---|
| **December** | | | |
| *Thur 1* | Unemployment and unfilled vacancies (November – provisional) | PN | Dept of Employment |
| *Fri 2* | House renovations (3rd quarter) | PN | Dept of the Environment and Transport |
| | Housing starts and completions (October) | PN | Dept of the Environment and Transport |
| | Car and commercial vehicle production (October – final) | *British business* | Dept of Trade and Industry |
| | Company liquidity survey (3rd quarter) | *British business* | Dept of Trade and Industry |
| | UK official reserves (November) | PN | HM Treasury |
| | Capital issues and redemptions (during the month of November) | PN | Bank of England |
| *Mon 5* | Credit business (October) | PN | Dept of Trade and Industry |
| | Retail sales (October – final) | PN | Dept of Treda and Industry |
| | Producer price index numbers (November – provisional) | PN | Dept of Trade and Industry |
| *Tues 6* | London clearing banks' monthly statement (mid-November) | PN | CLCB |
| | Provisional estimates of monetary aggregates (mid-November) | PN | Bank of England |
| *Wed 7* | UK balance of payments (3rd quarter) | PN | CSO |
| *Thur 8* | Provisional figures of vehicle production (November) | PN | Dept of Trade and Industry |
| *Mon 12* | Retail sales (November – provisional) | PN | Dept of Trade and Industry |
| | Food facts (3rd quarter) | PN | MAFF |
| *Tues 13* | Index of output of the production industries (October) | PN | CSO |
| | Construction – output (3rd quarter) | PN | Dept of the Environment and Transport |
| | Building Societies' monthly figures (November) | PN | BSA |
| *Wed 14* | Indices of average earnings (October) | PN | Dept of Employment |
| | Indices of basic rates of wage (November) | PN | Dept of Employment |
| *Thur 15* | Cyclical indicators for the UK economy (November) | PN | CSO |
| | Capital expenditure by the manufacturing, distributive and service industries (3rd quarter – provisional) | PN | Dept of Trade and Industry |
| | Manufacturers' and distributors stocks (3rd quarter – revised) | PN | Dept of Trade and Industry |
| | Investment intentions of the manufacturing, distributive and service industries (1984/85) | PN | Dept of Trade and Industry |
| | London sterling certificates of deposit (November) | PN | Bank of England |
| | UK banks assets and liabilities and the money stock (mid-November) | PN | Bank of England |
| *Fri 16* | Tax and price index (November) | PN | CSO |
| | Retail prices index (November) | PN | Dept of Employment |
| | Public sector borrowing requirement (November) | PN | CSO/HM Treasury |
| | Usable steel production (November) | PN | BSC/BISPA |
| | Sales and orders in the engineering industries (September) | *British business* | Dept of Trade and Industry |
| *Sun 18* | Department for National Savings' monthly progress report (November) | PN | Dept for National Savings |
| *Mon 19* | CBI Monthly Trends Inquiry (December) | PN | CBI |
| *Tues 20* | UK banking sector statistics (3rd quarter) | *Bulletin* | Bank of England |
| | Financing of the Central Government borrowing requirement (3rd quarter) | *Bulletin* | Bank of England |
| | Money stock (3rd quarter) | *Bulletin* | Bank of England |
| | Gross Domestic Product (3rd quarter – provisional) | PN | CSO |
| *Wed 21* | Construction – new orders (October) | PN | Dept of the Environment |
| *Thur 22* | Balance of payments current account and overseas trade figures (November) | PN | Dept of Trade and Industry /CSO |
| | New vehicle registrations (November) | PN | Dept of the Environment and Transport |
| | The CBI/FT survey of distributive trades (end-November) | PN | CBI |
| *Fri 23* | Finished steel consumption and stock changes (3rd quarter – final) | *British business* | Dept of Trade and Industry |
| *Thur 29* | Overseas travel and tourism (October) | PN | Dept of Trade and Industry |
| | Energy Trends (October) | PN | Dept of Energy |
| | Unemployment and unfilled vacancies (November – final) | *Gazette* | Dept of Employment |
| | Employment in the production industries (October – provisional) | *Gazette* | Dept of Employment |
| | Overtime and short-time working in the manufacturing industries (October) | *Gazette* | Dept of Employment |
| | Stoppages of work due to industrial disputes (November – provisional) | *Gazette* | Dept of Employment |

PN—Press Notice

CENTRAL STATISTICAL OFFICE

# Economic Trends

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# Introduction

*Economic Trends* brings together all the main economic indicators.

It contains three regular sections of tables and charts illustrating trends in the UK economy:

- 'Latest developments' presents the most up-to-date statistical information available during the month, together with a calendar of recent economic events. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.

- The main section shows the movements of the key economic indicators over the last five years or so. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

- A further chart shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 22 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

*Economic Trends* is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

## Notes on the tables

1. The main tables and charts in this issue contain information available to the CSO on 17 November. The 'Latest developments' section may contain later information.

2. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

5. 'Billion' denotes one thousand millions.

6. There may sometimes be an inconsistency between a table and the corresponding chart, because the data may be received too late to update the chart. In such cases it should be assumed that the table is correct.

## Symbols used:

| | |
|---|---|
| .. | not available or not meaningful |
| — | nil or less than half the final digit shown |
| § | series for which measures of variability are given on page 80 |
| † | indicates that the data have been revised since last issue; the period marked is the earliest in the table to have been revised |

**The Editor would welcome readers' suggestions for improvements to *Economic Trends***

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# Latest developments in the economy[1]

*Data available at 24 November 1983*

## Output

Preliminary estimates suggest that the output of the whole economy rose by about 1 per cent in the third quarter, following little change between the first and second quarters. The rise reflected increased activity in the production industries, distribution and the transport and communication sector.

Output of production industries is provisionally estimated to have increased by 2 per cent between the second and third quarters, following a fall of ½ per cent between the first two quarters of the year. Manufacturing output rose by 1½ per cent between the two latest quarters after a fall of 1 per cent.

The results of the CBI Industrial Trends Survey for October suggest that manufacturing output will continue to rise for the coming few months.

## Consumers' expenditure

The provisional estimate of the volume of retail sales in October, rounded to the nearest half point, is 115½ (1978 = 100). Trade in October is slightly above the average level of the third quarter, following erratic movements in August and September. In the three months to October, retail sales were 1½ per cent higher than in the previous three months and 5½ per cent higher than in the same period last year. During the first ten months of 1983, the average level of trade has been 5 per cent higher than the average for the whole of 1982.

## Official reserves and exchange rate (not seasonally adjusted)

The UK official reserves rose by $200 million in October, to $18,102 million. Accruals of borrowing under the exchange cover scheme amounted to $215 million; repayments of such borrowing amounted to $25 million. The valuation change arising out of the quarterly rollover of the EMCF swap amounted to an increase of $71 million.

Up to 23 November, the average sterling effective exchange rate for November was 0.5 per cent higher than that for October.

## Earnings and wage rates

The whole economy index of average earnings in September at 150.7 (January 1980 = 100) was 0.3 per cent above August and 8.5 per cent above September 1982. The underlying increase in average earnings over this period, allowing for temporary factors such as back-pay and variations in the timing of pay settlements, was approximately 7¾ per cent. Nationally-negotiated weekly wage rates for manual workers (not seasonally adjusted) at the end of October 1983 were on average 5.3 per cent higher than a year earlier.

## Prices (not seasonally adjusted)

The retail prices index (RPI) for October was 340.7 (January 1974 = 100), a rise of 0.4 per cent on September and an increase of 5.0 per cent on October 1982. The tax and price index (TPI) for October was 176.7 (January 1978 = 100), 4.0 per cent up on October 1982.

The price index for materials and fuel purchased by manufacturing industry (revised definition) fell by 0.4 per cent between September and October. Lower scheduled prices for petroleum products and, less significantly, reduced prices for non-ferrous metals were partially offset by increased prices for food materials. The change in the index measured over a 12-month period fell from 9.5 per cent in September to 8.1 per cent in October.

The producer price index for the home sales of manufactured products (revised definition) increased by 0.5 per cent between September and October. Nearly one third of this increase was caused by higher prices for food products. The movement in the index measured over a 12-month period increased from 5.4 per cent in September to 5.5 per cent in October.

## Unemployment and vacancies

The unemployment count figures for the United Kingdom (excluding school leavers) fell by 10,100 between September and October to 2,941,200. The October total reflects the effects in April to August of the provisions in the Budget for some men aged 60 and over who no longer have to sign on at an unemployment benefit office. However, allowing for this effect, unemployment is estimated at 3,103,000 in October. Vacancies notified to Jobcentres rose by 3,400 between September and October to 167,000. There are probably about 400,000 to 450,000 vacancies in the economy as only about one-third are notified to Jobcentres.

## Financial aggregates

During banking October (four weeks to 19 October), sterling $M_3$ rose by £1,430 million or 1.5 per cent, $PSL_2$ rose by 1.0 per cent and $M_1$ by 1.5 per cent. The annualised rates of growth of these aggregates since the beginning of the current target period in mid-February are 10.8 per cent, 13.1 per cent and 12.7 per cent respectively. $PSL_1$ rose by 1.1 per cent in October and $M_2$ rose 0.7 per cent (not seasonally adjusted). Among the counterparts to the rise in sterling $M_3$, the net effect of public sector transactions as a whole was contractionary, as in the preceding two months; the figure for October was −£220 million. The central government borrowing requirement was £1,180 million, whilst the direct contribution of local authorities and public corporations to the public sector borrowing requirement (net of non-bank private sector purchases of their debt) was contractionary at −£620 million. The non-bank private sector's purchases of central government debt totalled £780 million.

Sterling lending to the private sector rose by £1,580 million. However, as in September, this figure is distorted by some £300 million of interest-charging which occurred earlier than allowed for in the seasonal adjustments and which will have had the effect of inflating bank lending in banking September and correspondingly reducing it in banking October. The sterling value of UK residents' foreign currency deposits rose by £560 million (not seasonally adjusted), mainly reflecting transactions rather than estimated valuation changes.

## Stockbuilding

Provisional figures indicate that the level of stocks held by manufacturers, wholesalers and retailers fell by about £665 million at 1980 prices in the third quarter of 1983 following

[1] All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

destocking of around £90 million in the first half of 1983. This substantial reduction in stocks was bought about by significant destocking in the wholesaling sector (of around 3½ per cent of the stock level at the end of 1982) and by a steep fall in the level of manufacturers' stocks. There was an increase in the level of retailers' stocks.

It is provisionally estimated that manufacturers reduced their stocks by almost £400 million in the third quarter following a fall of about £80 million in the first half of 1983. There was significant destocking of materials stores and fuels, work in progress and of finished goods in the third quarter. The stock/output ratio fell sharply from 101.9 at the end of the second quarter to 99.3 at the end of the third quarter due to increased production and a fall in stocks' levels.

Wholesalers' stocks fell by some £340 million in the third quarter following an increase of about £90 million in the first half of the year. Retailers' stocks increased by some £75 million in the third quarter following a fall of £100 million in the first half of the year.

### Capital expenditure

Capital expenditure by manufacturing, construction, distribution and financial industries is provisionally estimated at £3,810 million at 1980 prices in the third quarter of 1983, 1 per cent above the second quarter level. Expenditure in the last six months was 1½ per cent above the preccding six months.

The provisional estimate of manufacturers' investment (taking account of leasing of assets from the financial industries) was £1,293 million, 2 per cent above the value recorded in the second quarter. Comparisons on a six-monthly basis show a fall of 1½ per cent between the two latest six -month periods. Investment by the construction, distribution and financial industries, excluding leasing to manufacturers, in the third quarter is £2,517 million, ½ per cent above the level of the second quarter. Comparisons on a six-monthly basis show a rise of over 3 per cent between the two latest six-month periods.

### Balance of payments

The current account for October is estimated to have been in deficit by £269 million compared with a surplus of £305 million in September. In the period August to October the current account was in surplus by £74 million compared with a deficit of £301 million in the previous three-month period. There was a deficit on visible trade of £406 million in the latest three months compared with a deficit of £688 million in the previous period. The surplus on invisibles is projected at £480 million in the latest three months compared with a surplus of £387 million in the previous period; a large surplus on the transactions of the private sector and public corporations being partly offset by a deficit on government transactions in the current period.

The visible trade balance in October was in deficit by £429 million compared with a surplus of £145 million in September. There was a surplus on trade in oil of £538 million, not very different from the £529 million surplus in September. A deficit on trade in non-oil goods of £384 million in September increased to £967 million in October. The value of exports was 1½ per cent below the September level while imports rose by 10 per cent. The volume of total exports in the latest three months was 3½ per cent higher than in the previous three months. The underlying level of non-oil export volume has been rising in recent months, returning to the level reached in the early months of the year. In the latest three months import volume increased by 3 per cent. Although the October figures appear to be erratically high, it seems clear that the underlying level of non-oil imports has been rising in recent months.

## Selected monthly indicators[1]

| | | Seasonally adjusted | | | | | Unadjusted | | | | | | Seasonally adjusted | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1978 = 100 | 1980 = 100 | Thousands | | Jan. 1976 = 100 | 1980 = 100 | Jan. 1974 = 100 | Jan. 1978 = 100 | 1975 = 100 | $ billion | £ million | |
| | | Volume of retail sales (GB)[2,3] § | Total production industries | Unemployment[5§6,13] | Vacancies[7§8] | Average earnings (whole economy: GB)[9] | Producer price of materials and fuel[9] | Retail price index (all items) | Tax and price index | Sterling effective exchange rate | U.K. official reserves[10] | Balance of payments: Current balance | Money stock sterling M3 |
| 1982 | A | 109.4 | 98.8 | 2 832.4 | 114.0 | 228.0 | 115.0 | 323.1 | 169.0 | 91.5 | 18.1 | + 288 | 88 700 |
| | S | 109.3 | 99.4 | 2 866.4 | 107.3 | 226.7 | 115.4 | 322.9 | 168.9 | 91.7 | 18.3 | + 558 | 89 750 |
| | O | 109.3 | 98.7 | 2 885.4 | 113.9 | 229.0 | 116.5 | 324.5 | 169.9 | 92.5 | 18.5 | + 601 | 90 940 |
| | N | 110.0 | 97.1 | 2 905.5 | 114.4 | 232.3 | 119.0 | 326.1 | 170.9 | 89.5 | 18.0 | + 923 | 91 250 |
| | D | 112.2 | 99.1 | 2 948.8 | 117.6 | 233.1 | 122.8 | 325.5 | 170.5 | 85.4 | 17.0 | + 896 | 91 670 |
| 1983 | J | 110.1 | 99.6 | 2 982.7 | 122.0 | 234.9 | 124.1 | 325.9 | 170.7 | 81.9 | 16.9 | − 146 | 92 440 |
| | F | 111.1 | 100.1 | 3 000.6 | 124.0 | 239.7 | 125.4 | 327.3 | 171.6 | 80.7 | 16.6 | + 204 | 92 440 |
| | M | 111.9 | 99.0 | 3 025.7 | 126.1 | 238.3 | 124.2 | 327.9 | 171.9 | 79.1 | 17.3 | + 721 | 93 880 |
| | A | 112.9 | 99.1 | 3 021.1 | 134.5 | 237.9 | 123.1 | 332.5 | 171.8 | 82.8 | 17.7 | − 196 | 95 450 |
| | M | 113.7 | 99.9 | 2 969.9 | 131.1 | 239.3 | 123.8 | 333.9 | 172.6 | 84.9 | 17.9 | − 393 | 95 950 |
| | J | 114.0 | 98.2 | 2 967.7 | 139.3 | 241·7 | 124.0 | 334.7 | 173.1 | 85.2 | 17.7 | + 276 | 97 520 |
| | J | 113.9 | 101.1 | 2 957.3 | 153.4 | 245.1 | 123.2 | 336.5 | 174.2 | 84.8 | 17.9 | − 190 | 98 420 |
| | A | 112.8 | 100.9 | 2 940.9 | 162.0 | 246.6 | 124.6 | 338·0 | 175.1 | 85.1 | 18.0 | + 22 | 98 020 |
| | S | 117.3 | 101.0 | 2 951.3 | 163.6 | | 126.4[12] | 339.5 | 176.0 | 84·8 | 17.9 | + 270 | 99 450 |
| | O | 115.5[12] | | 2 941.2[13] | 167.0 | | 125.9[12] | 340.7 | 176.7 | 83.4 | 18.1 | | |
| | | *Percentage change, latest three months on previous three months* | | | | | | | | | | | |
| 1982 | A | + 1.4 | + 0.2 | + 3.4 | + 1.1 | +2.9 | − 0.9 | + 1.4 | .. | + 1.1 | .. | .. | + 2.3 |
| | S | + 2.0 | + 0.8 | + 3.5 | + 3.5 | +2.7 | − 0.4 | + 0.5 | .. | + 1.3 | .. | .. | + 2.3 |
| | O | + 1.9 | + 0.9 | + 3.1 | + 3.7 | +1.6 | − 0.1 | + 0.3 | .. | + 1.3 | .. | .. | + 2.8 |
| | N | + 1.3 | + 0.3 | + 2.8 | + 1.5 | +1.2 | + 1.3 | + 0.5 | .. | — | .. | .. | + 3.1 |
| | D | + 1.6 | − 0.5 | + 2.7 | + 4.0 | +1.8 | + 3.5 | + 0.7 | .. | − 2.6 | .. | .. | + 3.0 |
| 1983 | J | + 1.5 | − 0.4 | + 2.9 | + 5.6 | +2.4 | + 5.5 | + 0.7 | .. | − 6.9 | .. | .. | + 2.3 |
| | F | + 1.6 | + 1.2 | + 3.2 | + 8.3 | +2.9 | + 6.1 | + 0.5 | .. | − 9.3 | .. | .. | + 2.0 |
| | M | + 0.4 | + 1.3 | + 3.1 | + 7.5 | +2.7 | + 4.3 | + 0.5 | .. | − 9.5 | .. | .. | + 2.1 |
| | A | + 1.0 | + 0.9 | + 2.4 | (+ 2.7) + 8.6 | +2.2 | + 1.9 | + 1.0 | .. | − 5.5 | .. | .. | + 2.7 |
| | M | + 1.4 | − 0.2 | + 0.9 | (+ 2.4) + 7.8 | +1.1 | − 0.3 | + 1.6 | .. | − 0.5 | .. | .. | + 3.1 |
| | J | + 2.3 | − 0.5 | − 0.6 | (+ 2.4) + 8.9 | +0·9 | − 0.7 | + 2.0 | .. | + 4.6 | .. | .. | + 3.6 |
| | J | + 1.7 | + 0.3 | − 1.7 | (+ 2.3) +10.2 | +1.4 | − 0.5 | + 1.8 | .. | + 5.1 | .. | .. | + 3.5 |
| | A | + 0.7 | + 0.7 | − 1.7 | (+ 1.8) +16·1 | +2.5 | + 0.2 | + 1.5 | .. | + 3.3 | .. | .. | + 3.3 |
| | S | + 1.1 | + 1.9 | − 1.2 | (+ 1.1) +18.3 | | + 0.9[12] | + 1.3 | .. | + 0.7 | .. | .. | + 2.1 |
| | O | + 1.3[12] | | − 0.7[12] | (+ 0.4) +16.2 | | + 1.6[12] | + 1.3 | .. | − 0.7 | .. | .. | + 1.4 |
| | | *Percentage change, latest three months on corresponding period of previous year* | | | | | | | | | | | |
| 1982 | A | + 2.7 | + 2.1 | +13.6 | +19.8 | + 9.5 | + 5.4 | + 8.6 | + 9.2 | − 1.9 | .. | .. | +11.1 |
| | S | + 3.4 | + 2.3 | +12.8 | +15.0 | + 8.5 | + 4.8 | + 8.0 | + 8.7 | + 1.0 | .. | .. | +10.5 |
| | O | + 3.4 | + 1.4 | +12.2 | +12.8 | + 7.3 | + 4.0 | + 7.4 | + 8.0 | + 3.1 | .. | .. | +10.6 |
| | N | + 3.6 | + 0.3 | +11.7 | +10.9 | + 7.5 | + 3.6 | + 6.8 | + 7.3 | + 2.7 | .. | .. | +10.4 |
| | D | + 5.1 | + 0.2 | +11.7 | +10.8 | + 7.8 | + 4.0 | + 6.2 | + 6.6 | − 0.7 | .. | .. | +10.4 |
| 1983 | J | + 5.0 | + 1.4 | +11.7 | + 9.5 | + 8.2 | + 4.6 | + 5.5 | + 5.8 | − 5.6 | .. | .. | +10.1 |
| | F | + 5.2 | + 2.8 | +11.9 | + 9.5 | + 8.5 | + 5.3 | + 5.2 | + 5.5 | − 9.2 | .. | .. | +10.2 |
| | M | + 4.3 | + 2.6 | +12.1 | +11.0 | + 8.8 | + 5.6 | + 4.9 | + 5.2 | −11.6 | .. | .. | +10.1 |
| | A | + 5.4 | + 2.1 | +11.9 | (+12.3) +15.4 | + 8.6 | + 5.8 | + 4.6 | + 4.5 | −10.9 | .. | .. | +10.6 |
| | M | + 5.8 | + 1.4 | +10.7 | (+12.4) +19.8 | + 8.3 | + 6.2 | + 4.1 | + 3.8 | − 8.8 | .. | .. | +10.9 |
| | J | + 6.4 | + 1.1 | + 8.9 | (+12.1) +25.9 | + 8·2 | + 6.7 | + 3.8 | + 3.3 | − 6.6 | .. | .. | +11.4 |
| | J | + 6.2 | + 1.6 | + 6.8 | (+11.5) +31.2 | + 7.9 | + 6.8 | + 3.8 | + 3.1 | − 6.3 | .. | .. | +11.7 |
| | A | + 5.1 | + 1.9 | + 5.3 | (+10.6) +37·6 | + 7.9 | + 7.3 | + 4.1 | + 3.2 | − 6.8 | .. | .. | +11.9 |
| | S | + 5.5 | + 2.2 | + 4.0 | (+ 9.6) +44.0 | | + 8.1[12] | + 4.6 | + 3.5 | − 7.2 | .. | .. | +11.2 |
| | O | + 5.6[12] | | + 2.9[12] | (+ 8.6) +47.0 | | + 8.6[12] | + 4.9 | + 3.9 | − 8.2 | .. | .. | +10.2 |

[1] Data given may not be wholly consistent with that shown elsewhere in the publication.
[2] This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
[3] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods.
[4] All industries covered.
[5] Unemployed (new basis – claimants) excluding school leavers. The figures for Great Britain prior to May 1979 and for Northern Ireland prior to November 1982 are estimated.
[6] The seasonally adjusted series have been revised as described in the December 1982 *Employment Gazette*.
[7] Vacancies notified to job centres.
[8] The seasonal adjustment factors currently used are based on data up to December 1980.
[9] Purchased by manufacturing industry. (Revised definition)
[10] See footnote [2] on page 50.
[11] The recorded unemployment figures for July to October 1981 are overstated by about 20,000 (net) as a result of industrial action at benefit offices. The seasonally adjusted total for the UK has been reduced to allow for this. No adjustment has been made to other unemployment figures.
[12] Provisional.
[13] From 1 April 1983, the figures reflect the effects of the provisions in the Budget for some men aged sixty and over who no longer have to sign on at an unemployment benefit office. The figures in brackets allow for these effects.

# Tables and charts

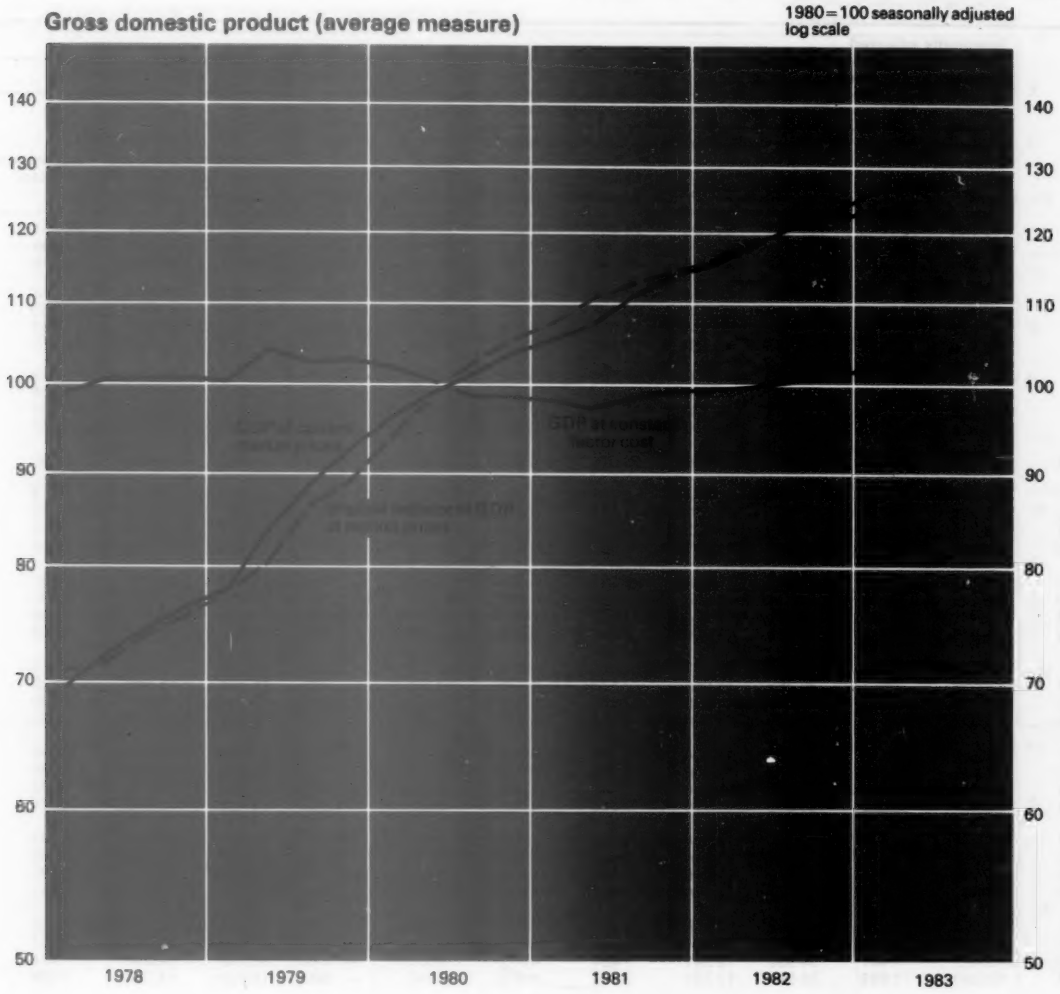
## Gross domestic product at market prices and at factor cost, total home costs and national disposable income revalued at 1980 market prices[1]

**Seasonally adjusted**

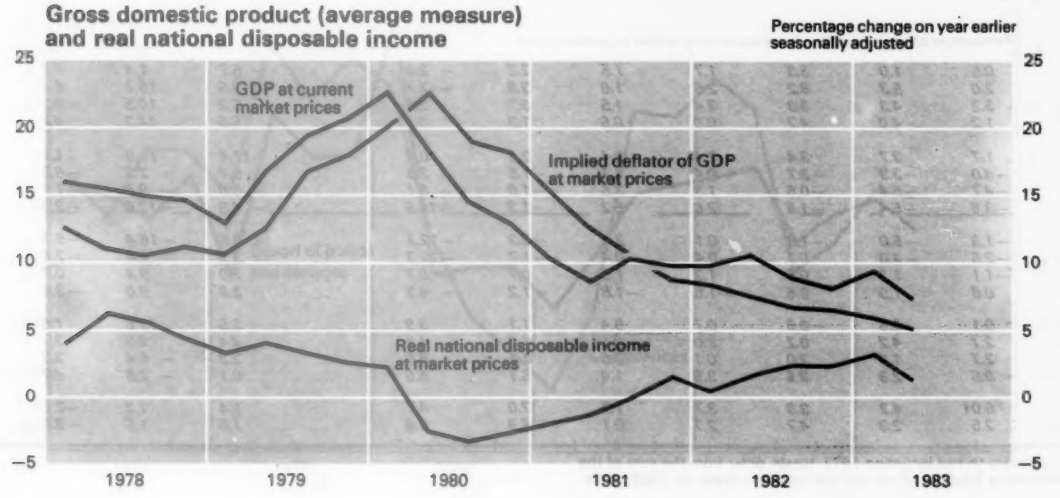
| | Gross domestic product | | | | Gross domestic product | | | | | | Implied index of total home costs | National disposable income at 1980 market prices |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | At market prices[2] | | | Implied market price GDP deflator | At factor cost | | | | | | | |
| | At current prices | | At 1980 prices | | At current prices | | At 1980 prices | | | | | |
| | £ billion | 1980 =100 | 1980 =100 | | £ billion[3] | | 1980 =100 | | | | 1980 =100 | 1980 =100 |
| | Based on: | | | | Based on: | | Based on: | | | | Based on: | |
| | expenditure data | average estimate | average estimate | average estimate | expenditure data | income data | expenditure data§ | income data[4]§ | output data§ | average estimate§ | expenditure data | average estimate |
| 1972 | 63.8 | 28.4 | 88.5 | 32.1 | 55.7 | 56.3 | 87.8 | 87.7 | 91.0 | 88.9 | 32.3 | 91.0 |
| 1973 | 73.5 | 32.6 | 94.6 | 34.4 | 64.8 | 65.5 | 94.7 | 94.4 | 96.4 | 95.1 | 34.9 | 95.7 |
| 1974 | 83.6 | 36.7 | 93.0 | 39.5 | 75.1 | 74.5 | 94.0 | 92.1 | 94.8 | 93.6 | 40.8 | 90.8 |
| 1975 | 105.4 | 46.2 | 92.0 | 50.2 | 95.0 | 94.3 | 93.3 | 91.5 | 93.0 | 92.6 | 51.9 | 90.5 |
| 1976 | 125.6 | 54.4 | 94.3 | 57.7 | 121.6 | 109.9 | 96.8 | 93.3 | 94.7 | 94.9 | 59.4 | 92.5 |
| 1977 | 144.8 | 63.4 | 96.6 | 65.6 | 128.1 | 127.7 | 98.1 | 96.6 | 97.3 | 97.4 | 66.6 | 94.0 |
| 1978 | 166.5 | 73.0 | 100.1 | 72.9 | 147.2 | 147.0 | 101.0 | 99.6 | 100.4 | 100.4 | 74.3 | 98.7 |
| 1979 | 194.4 | 85.7 | 102.6 | 83.5 | 169.1 | 170.2 | 102.8 | 102.1 | 103.3 | 102.7 | 84.0 | 101.8 |
| 1980 | 226.9 | 100.0 | 100.0 | 100.0 | 196.0 | 198.4 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1981 | 250.0 | 109.6 | 98.3 | 111.6 | 213.7 | 214.8 | 98.9 | 98.3 | 97.9 | 98.4 | 110.2 | 99.5 |
| 1982 | 274.2 | 119.8 | 100.2 | 119.6 | 232.6 | 232.5 | 101.2 | 99.9 | 99.4 | 100.2 | 117.3 | 101.1† |
| 1979 *1* | 44.2 | 78.2 | 100.3 | 78.0 | 38.8 | 39.3 | 99.7 | 99.6 | 101.1 | 100.1 | 79.4 | 99.7 |
| *2* | 47.7 | 83.9 | 104.3 | 80.5 | 41.9 | 41.8 | 104.4 | 103.1 | 104.8 | 104.1 | 81.8 | 102.9 |
| *3* | 50.5 | 88.5 | 102.8 | 86.1 | 43.6 | 43.6 | 104.1 | 102.9 | 103.4 | 103.4 | 85.4 | 102.4 |
| *4* | 52.0 | 92.1 | 103.2 | 89.2 | 44.8 | 45.5 | 102.8 | 103.1 | 103.9 | 103.3 | 89.0 | 102.1 |
| 1980 *1* | 54.0 | 95.9 | 102.4 | 93.6 | 46.4 | 47.7 | 101.3 | 102.7 | 102.7 | 102.3 | 93.5 | 101.8 |
| *2* | 55.9 | 99.1 | 100.5 | 98.6 | 48.3 | 49.5 | 100.3 | 101.4 | 100.7 | 100.8 | 98.4 | 100.1 |
| *3* | 57.6 | 101.1 | 98.6 | 102.5 | 49.9 | 50.0 | 99.3 | 98.2 | 98.9 | 98.8 | 102.6 | 98.9 |
| *4* | 59.4 | 103.9 | 98.4 | 105.5 | 51.4 | 51.2 | 99.1 | 97.7 | 97.7 | 98.2 | 105.7 | 99.2 |
| 1981 *1* | 60.9 | 105.6 | 98.0 | 107.8 | 52.6 | 51.5 | 100.0 | 96.8 | 97.4 | 98.0 | 107.2 | 99.6 |
| *2* | 61.3 | 107.6 | 97.1 | 110.7 | 52.4 | 52.5 | 97.7 | 96.7 | 97.4 | 97.3 | 109.4 | 98.7 |
| *3* | 63.1 | 111.3 | 98.3 | 113.2 | 53.7 | 54.5 | 98.2 | 98.4 | 98.4 | 98.3 | 111.7 | 99.1 |
| *4* | 64.7 | 114.1 | 99.4 | 114.7 | 55.0 | 56.3 | 99.9 | 101.1 | 98.6 | 99.9 | 112.3 | 100.5 |
| 1982 *1* | 66.0 | 116.0 | 99.5 | 116.5 | 55.4 | 56.2 | 100.1 | 100.3 | 98.6 | 99.6 | 112.9 | 100.0 |
| *2* | 67.7 | 118.7 | 99.7 | 119.0 | 57.6 | 57.8 | 100.4 | 99.6 | 99.1 | 99.7 | 117.0 | 100.3 |
| *3* | 69.1 | 121.2 | 100.3 | 120.9 | 58.7 | 58.9 | 100.9 | 100.0 | 99.8 | 100.2 | 118.7 | 101.4 |
| *4* | 71.4 | 123.4 | 101.0 | 122.1 | 60.9 | 59.6 | 103.4 | 99.8 | 99.9 | 101.0 | 120.3 | 102.7 |
| 1983 *1* | 73.2 | 126.8† | 102.8† | 123.3† | 62.6 | 62.0 | 105.1† | 102.8† | 100.7 | 102.9† | 121.6† | 103.2† |
| *2* | 72.8 | 127.5 | 102.0 | 124.9 | 62.4 | 62.9 | 102.8 | 102.3 | 100.7 | 102.0 | 123.9 | 101.6 |
| | *Percentage change, quarter on corresponding quarter of previous year.* | | | | | | | | | | | |
| 1978 *4* | *13.4* | *14.5* | *3.2* | *11.0* | *13.4* | *15.2* | *1.8* | *3.4* | *3.8* | *3.0* | *11.3* | *4.2* |
| 1979 *1* | *11.4* | *12.7* | *2.0* | *10.5* | *10.3* | *12.2* | *0.5* | *2.2* | *2.7* | *1.8* | *9.7* | *3.1* |
| *2* | *15.7* | *16.7* | *3.8* | *12.4* | *14.7* | *15.5* | *2.0* | *2.8* | *4.3* | *3.1* | *12.4* | *3.9* |
| *3* | *19.8* | *19.3* | *2.2* | *16.7* | *16.9* | *16.2* | *3.2* | *2.6* | *2.1* | *2.6* | *13.3* | *3.2* |
| *4* | *19.7* | *20.6* | *2.5* | *17.7* | *17.3* | *19.0* | *1.2* | *2.7* | *2.2* | *2.1* | *15.9* | *2.6* |
| 1980 *1* | *22.1* | *22.6* | *2.1* | *20.0* | *19.6* | *21.4* | *1.7* | *3.1* | *1.7* | *2.2* | *17.8* | *2.1* |
| *2* | *17.2* | *18.1* | *−3.6* | *22.5* | *15.4* | *18.4* | *−4.0* | *−1.6* | *−3.9* | *−3.2* | *20.3* | *−2.7* |
| *3* | *14.1* | *14.2* | *−4.1* | *19.0* | *14.6* | *14.8* | *−4.7* | *−4.6* | *−4.3* | *−4.4* | *20.1* | *−3.4* |
| *4* | *14.2* | *12.8* | *−4.7* | *18.3* | *14.5* | *12.6* | *−3.6* | *−5.2* | *−6.0* | *−4.9* | *18.8* | *−2.8* |
| 1981 *1* | *12.9* | *10.1* | *−4.3* | *15.2* | *13.2* | *8.0* | *−1.3* | *−5.7* | *−5.2* | *−4.2* | *14.7* | *−2.2* |
| *2* | *9.5* | *8.6* | *−3.4* | *12.3* | *8.4* | *5.9* | *−2.5* | *−4.6* | *−3.3* | *−3.5* | *11.2* | *−1.4* |
| *3* | *9.5* | *10.1* | *−0.3* | *10.4* | *7.7* | *9.1* | *−1.1* | *0.2* | *−0.6* | *−0.5* | *8.9* | *0.2* |
| *4* | *9.0* | *9.8* | *1.0* | *8.7* | *7.0* | *9.9* | *0.8* | *3.5* | *0.9* | *1.7* | *6.2* | *1.3* |
| 1982 *1* | *8.4* | *9.8* | *1.5* | *8.1* | *5.4* | *9.2* | *0.1* | *3.6* | *1.2* | *1.6* | *5.3* | *0.4* |
| *2* | *10.5* | *10.3* | *2.7* | *7.5* | *9.9* | *10.2* | *2.7* | *3.0* | *1.8* | *2.5* | *6.9* | *1.6* |
| *3* | *9.6* | *8.9* | *2.0* | *6.8* | *9.2* | *8.0* | *2.7* | *1.6* | *1.5* | *1.9* | *6.3* | *2.3* |
| *4* | *10.2* | *8.2* | *1.6* | *6.5* | *10.9* | *5.8* | *3.5* | *−1.3* | *1.4* | *1.1* | *7.1* | *2.2* |
| 1983 *1* | *10.9* | *9.3†* | *3.3†* | *5.8†* | *13.1* | *10.4* | *5.0†* | *2.5†* | *2.2* | *3.3†* | *7.7†* | *3.2†* |
| *2* | *7.6* | *7.4* | *2.3* | *5.0* | *8.5* | *8.7* | *2.4* | *2.7* | *1.6* | *2.4* | *5.9* | *1.3* |

[1] The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] For details of these series see Introduction to November 1981 issue.
[3] Figures in £ million are given on page 14.
[4] Income data deflated by the implied index of total home costs.

## Gross domestic product (average measure)




## Gross domestic product (average measure) and real national disposable income



## Expenditure on the gross domestic product

**Seasonally adjusted**

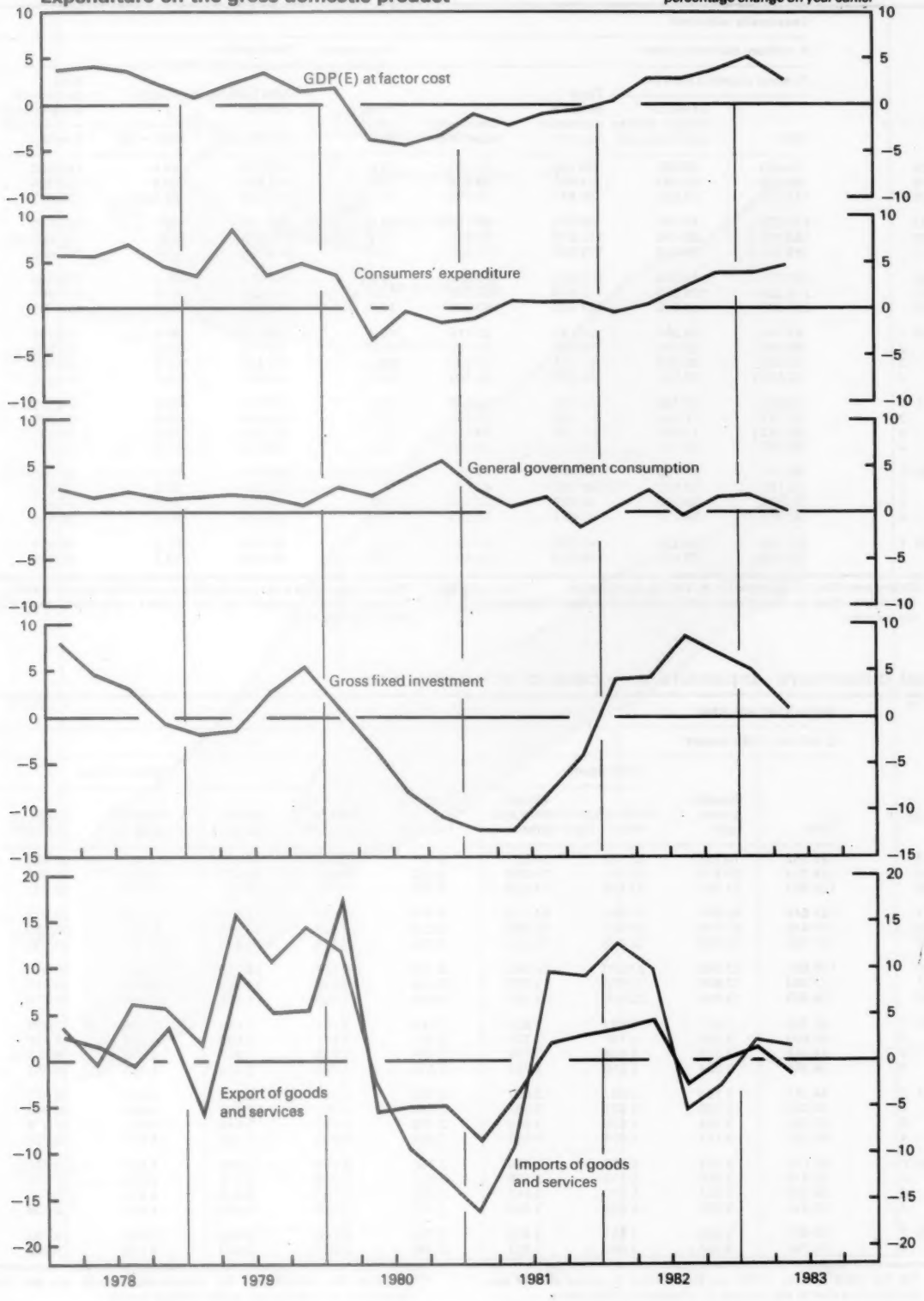
**£ million, 1980 prices**

| | Gross domestic product at factor cost (expenditure based)[1] | Final expenditure on goods and services at market prices | | | | | Gross fixed investment | Stock building | Exports of goods and services | Imports of goods and services | Adjustment to factor cost |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Total[1] | Consumers' expenditure | General government consumption: Total[1] | Central government | Local authorities | | | | | |
| 1972 | 172 199 | 246 055 | 121 519 | 40 885 | 24 460 | 16 407 | 39 508 | — 22 | 44 302 | 47 101 | 26 46 |
| 1973 | 185 538 | 266 716 | 127 734 | 42 814 | 25 158 | 17 610 | 41 798 | 5 047 | 49 451 | 52 693 | 28 20s |
| 1974 | 184 279 | 265 498 | 125 552 | 43 465 | 26 046 | 17 407 | 40 639 | 2 860 | 53 072 | 53 350 | 25 279 |
| 1975 | 182 858 | 259 499 | 124 824 | 45 814 | 27 473 | 18 330 | 40 297 | −2 901 | 51 657 | 49 576 | 26 863 |
| 1976 | 189 743 | 269 425 | 125 097 | 46 249 | 28 048 | 18 212 | 40 856 | 1 081 | 56 282 | 51 641 | 27 783 |
| 1977 | 192 371 | 272 734 | 124 646 | 45 734 | 27 876 | 17 879 | 39 851 | 2 638 | 59 913 | 52 251 | 27 763 |
| 1978 | 198 000 | 282 537 | 131 485 | 46 728 | 28 184 | 18 544 | 41 210 | 2 090 | 61 024 | 54 267 | 30 270 |
| 1979 | 201 419 | 292 819 | 137 863 | 47 612 | 28 560 | 19 052 | 41 586 | 2 490 | 63 268 | 59 908 | 31 492 |
| 1980 | 196 021 | 284 577 | 136 890 | 48 419 | 29 474 | 18 945 | 39 302 | −3 236 | 63 202 | 57 702 | 30 854 |
| 1981 | 193 952 | 280 231 | 137 063 | 48 329 | 29 650 | 18 679 | 35 557 | −2 655 | 61 937 | 56 256 | 30 023 |
| 1982 | 198 324 | 287 248 | 138 865 | 49 011 | 29 904 | 19 107 | 37 614 | −1 031 | 62 789 | 57 997 | 30 927 |
| 1976 *4* | 48 052 | 68 485 | 31 455 | 11 539 | 6 998 | 4 544 | 9 947 | 1 031 | 14 533 | 13 199 | 7 193 |
| 1977 *1* | 47 522 | 67 468 | 30 779 | 11 344 | 6 883 | 4 464 | 9 646 | 1 087 | 14 625 | 13 021 | 6 812 |
| *2* | 47 927 | 68 288 | 30 887 | 11 497 | 7 012 | 4 491 | 10 142 | 812 | 14 971 | 13 412 | 6 776 |
| *3* | 48 006 | 68 124 | 31 220 | 11 422 | 6 973 | 4 454 | 9 945 | 71 | 15 468 | 13 035 | 7 021 |
| *4* | 48 916 | 68 854 | 31 760 | 11 471 | 7 008 | 4 470 | 10 118 | 668 | 14 849 | 12 783 | 7 154 |
| 1978 *1* | 48 612 | 69 884 | 32 574 | 11 585 | 6 991 | 4 594 | 10 378 | 383 | 14 964 | 13 705 | 7 567 |
| *2* | 50 143 | 70 914 | 32 621 | 11 654 | 7 049 | 4 605 | 10 557 | 787 | 15 295 | 13 264 | 7 507 |
| *3* | 49 432 | 70 891 | 33 172 | 11 664 | 7 053 | 4 611 | 10 247 | 440 | 15 368 | 13 811 | 7 648 |
| *4* | 49 813 | 70 848 | 33 118 | 11 825 | 7 091 | 4 734 | 10 028 | 480 | 15 397 | 13 487 | 7 648 |
| 1979 *1* | 48 838 | 70 561 | 33 646 | 11 787 | 7 093 | 4 694 | 10 168 | 852 | 14 108 | 13 895 | 7 828 |
| *2* | 51 163 | 74 643 | 35 288 | 11 956 | 7 177 | 4 779 | 10 375 | 279 | 16 745 | 15 345 | 8 135 |
| *3* | 51 021 | 73 912 | 34 261 | 11 939 | 7 157 | 4 782 | 10 508 | 1 040 | 16 164 | 15 261 | 7 630 |
| *4* | 50 397 | 73 703 | 34 668 | 11 930 | 7 133 | 4 797 | 10 535 | 319 | 16 251 | 15 407 | 7 899 |
| 1980 *1* | 49 665 | 73 167 | 34 786 | 12 074 | 7 265 | 4 809 | 10 249 | — 501 | 16 559 | 15 538 | 7 964 |
| *2* | 49 132 | 71 720 | 34 000 | 12 006 | 7 298 | 4 708 | 10 016 | — 135 | 15 833 | 14 962 | 7 626 |
| *3* | 48 644 | 69 952 | 34 048 | 12 100 | 7 406 | 4 694 | 9 653 | −1 201 | 15 352 | 13 764 | 7 544 |
| *4* | 48 580 | 69 738 | 34 056 | 12 239 | 7 505 | 4 734 | 9 384 | −1 399 | 15 458 | 13 438 | 7 720 |
| 1981 *1* | 49 009 | 69 544 | 34 319 | 12 084 | 7 436 | 4 648 | 8 998 | −1 010 | 15 153 | 12 992 | 7 543 |
| *2* | 47 885 | 68 867 | 34 235 | 11 954 | 7 327 | 4 627 | 8 785 | −1 329 | 15 222 | 13 552 | 7 430 |
| *3* | 48 105 | 70 765 | 34 232 | 12 245 | 7 520 | 4 725 | 8 815 | — 182 | 15 655 | 15 062 | 7 598 |
| *4* | 48 953 | 71 055 | 34 277 | 12 046 | 7 367 | 4 679 | 8 959 | — 134 | 15 907 | 14 650 | 7 452 |
| 1982 *1* | 49 044 | 71 323 | 34 102 | 12 165 | 7 464 | 4 701 | 9 353 | 27 | 15 676 | 14 624 | 7 655 |
| *2* | 49 197 | 71 791 | 34 319 | 12 194 | 7 484 | 4 710 | 9 146 | 243 | 15 889 | 14 892 | 7 702 |
| *3* | 49 423 | 71 441 | 34 930 | 12 261 | 7 484 | 4 777 | 9 573 | — 621 | 15 298 | 14 247 | 7 771 |
| *4* | 50 660 | 72 693 | 35 514 | 12 391 | 7 472 | 4 919 | 9 542 | — 680 | 15 926 | 14 234 | 7 799 |
| 1983 *1* | 51 486† | 74 318 | 35 406 | 12 618 | 7 590 | 5 028 | 9 788 | 612 | 15 894 | 14 952 | 7 880† |
| *2* | 50 410 | 73 424 | 35 946 | 12 529 | 7 493 | 5 036 | 9 223 | 71 | 15 655 | 15 122 | 7 892 |
| | *Percentage change, quarter on corresponding period of previous year* | | | | | | | | | | |
| 1979 *1* | *0.5* | *1.0* | *3.3* | *1.7* | *1.5* | *2.2* | *— 2.0* | .. | *— 5.7* | *1.4* | *3.5* |
| *2* | *2.0* | *5.3* | *8.2* | *2.6* | *1.8* | *3.8* | *— 1.7* | .. | *9.5* | *15.7* | *8.4* |
| *3* | *3.2* | *4.3* | *3.3* | *2.4* | *1.5* | *3.7* | *2.5* | .. | *5.2* | *10.5* | *—0.2* |
| *4* | *1.2* | *4.0* | *4.7* | *0.9* | *0.6* | *1.3* | *5.1* | .. | *5.5* | *14.2* | *4.7* |
| 1980 *1* | *1.7* | *3.7* | *3.4* | *2.4* | *2.4* | *2.5* | *0.8* | .. | *17.4* | *11.8* | *1.7* |
| *2* | *—4.0* | *—3.9* | *—3.7* | *0.4* | *1.7* | *—1.5* | *— 3.5* | .. | *— 5.4* | *— 2.5* | *—6.3* |
| *3* | *—4.7* | *—5.4* | *—0.6* | *1.3* | *3.5* | *—1.8* | *— 8.1* | .. | *— 5.0* | *— 9.8* | *—1.1* |
| *4* | *—3.6* | *—5.4* | *—1.8* | *2.6* | *5.2* | *—1.3* | *—10.9* | .. | *— 4.9* | *—12.8* | *—2.3* |
| 1981 *1* | *—1.3* | *—5.0* | *—1.3* | *0.1* | *2.4* | *—3.3* | *—12.2* | .. | *— 8.5* | *—16.4* | *—5.3* |
| *2* | *—2.5* | *—4.0* | *0.7* | *—0.4* | *0.4* | *—1.7* | *—12.3* | .. | *— 3.9* | *— 9.4* | *—2.6* |
| *3* | *—1.1* | *1.2* | *0.5* | *1.2* | *1.5* | *0.7* | *— 8.7* | .. | *2.0* | *9.4* | *0.7* |
| *4* | *0.8* | *1.9* | *0.6* | *—1.6* | *—1.8* | *—1.2* | *— 4.5* | .. | *2.9* | *9.0* | *—3.5* |
| 1982 *1* | *0.1* | *2.6* | *—0.6* | *0.7* | *0.4* | *1.1* | *3.9* | .. | *3.5* | *12.6* | *1.5* |
| *2* | *2.7* | *4.2* | *0.2* | *2.0* | *2.1* | *1.8* | *4.1* | .. | *4.4* | *9.9* | *3.7* |
| *3* | *2.7* | *1.0* | *2.0* | *0.1* | *—0.5* | *1.1* | *8.6* | .. | *— 2.3* | *— 5.4* | *2.3* |
| *4* | *3.5* | *2.3* | *3.6* | *2.9* | *1.4* | *5.1* | *6.5* | .. | *0.1* | *— 2.8* | *4.7* |
| 1983 *1* | *5.0†* | *4.2* | *3.8* | *3.7* | *1.7* | *7.0* | *4.7* | .. | *1.4* | *2.2* | *—2.9†* |
| *2* | *2.5* | *2.3* | *4.7* | *2.7* | *0.1* | *6.9* | *0·8* | .. | *— 1.5* | *1.5* | *—2.5* |

[1] For years up to and including 1977 totals differ from the sum of the components because of the method used to rebase on 1980 prices.

## Expenditure on the gross domestic product

1980 prices seasonally adjusted
percentage change on year earlier



## Personal disposable income and consumption

**Seasonally adjusted**

| | £ million, current prices | | | | Percentage | 1980 prices | | |
|---|---|---|---|---|---|---|---|---|
| | Personal income before tax | | Total personal disposable income[2] | Consumers' expenditure | Personal saving ratio[3] | Real personal disposable income[4] | | Real consumers' expenditure§ |
| | Total[1] | *of which:* Wages, salaries and forces pay | | | | £ million§ | 1980 =100 | £ million |
| 1974 | 75 859 | 46 581 | 60 343 | 53 087 | 12.0 | 142 713 | 88.9 | 125 552 |
| 1975 | 96 659 | 60 293 | 74 659 | 65 339 | 12.5 | 142 629 | 88.8 | 124 824 |
| 1976 | 111 634 | 67 622 | 85 814 | 75 792 | 11.7 | 141 639 | 88.2 | 125 097 |
| 1977 | 124 576 | 74 741 | 96 919 | 86 712 | 10.5 | 139 318 | 86.7 | 124 646 |
| 1978 | 143 001 | 85 466 | 113 319 | 99 596 | 12.1 | 149 602 | 93.1 | 131 485 |
| 1979 | 169 334 | 99 859 | 135 928 | 118 383 | 12.9 | 158 295 | 98.6 | 137 863 |
| 1980 | 200 671 | 118 264 | 160 620 | 136 890 | 14.8 | 160 620 | 100.0 | 136 890 |
| 1981 | 219 309 | 126 308 | 173 973 | 152 239 | 12.5 | 156 630 | 97.5 | 137 063 |
| 1982 | 237 943 | 134 678 | 187 302 | 167 128 | 10.8 | 155 627 | 96.9 | 138 865 |
| 1980 *1* | 47 339 | 28 087 | 38 142 | 33 118 | 13.2 | 40 078 | 99.8 | 34 786 |
| *2* | 49 445 | 29 344 | 39 480 | 33 762 | 14.5 | 39 773 | 99.0 | 34 000 |
| *3* | 51 384 | 30 252 | 41 101 | 34 630 | 15.7 | 40 425 | 100.7 | 34 048 |
| *4* | 52 503 | 30 581 | 41 897 | 35 380 | 15.6 | 40 344 | 100.5 | 34 056 |
| 1981 *1* | 52 937 | 30 750 | 42 441 | 36 496 | 14.0 | 39 900 | 99.4 | 34 319 |
| *2* | 54 117 | 31 153 | 42 780 | 37 665 | 12.0 | 38 876 | 96.8 | 34 235 |
| *3* | 55 383 | 31 867 | 43 725 | 38 612 | 11.7 | 38 756 | 96.5 | 34 232 |
| *4* | 56 872 | 32 538 | 45 027 | 39 466 | 12.4 | 39 098 | 97.4 | 34 277 |
| 1982 *1* | 58 378 | 33 139 | 45 900 | 40 005 | 12.8 | 39 116 | 97.4 | 34 102 |
| *2* | 59 187 | 33 521 | 46 592 | 41 131 | 11.7 | 38 864 | 96.8 | 34 319 |
| *3* | 59 571 | 33 790 | 46 939 | 42 397 | 9.7 | 38 661 | 96.3 | 34 930 |
| *4* | 60 807 | 34 228 | 47 871 | 43 595 | 8.9 | 38 986 | 97.1 | 35 514 |
| 1983 *1* | 62 132 | 35 375 | 48 733 | 44 154 | 9.4 | 39 078 | 97.3 | 35 406 |
| *2* | 62 430 | 35 492 | 49 322 | 45 401 | 8.0 | 39 050 | 97.2 | 35 946 |

[1] Before providing for depreciation and stock appreciation.
[2] Before providing for depreciation, stock appreciation and additions to tax reserves.
[3] Personal saving as a percentage of personal disposable income.
[4] Personal income revalued by the implied consumers' expenditure deflator (1980 =100).

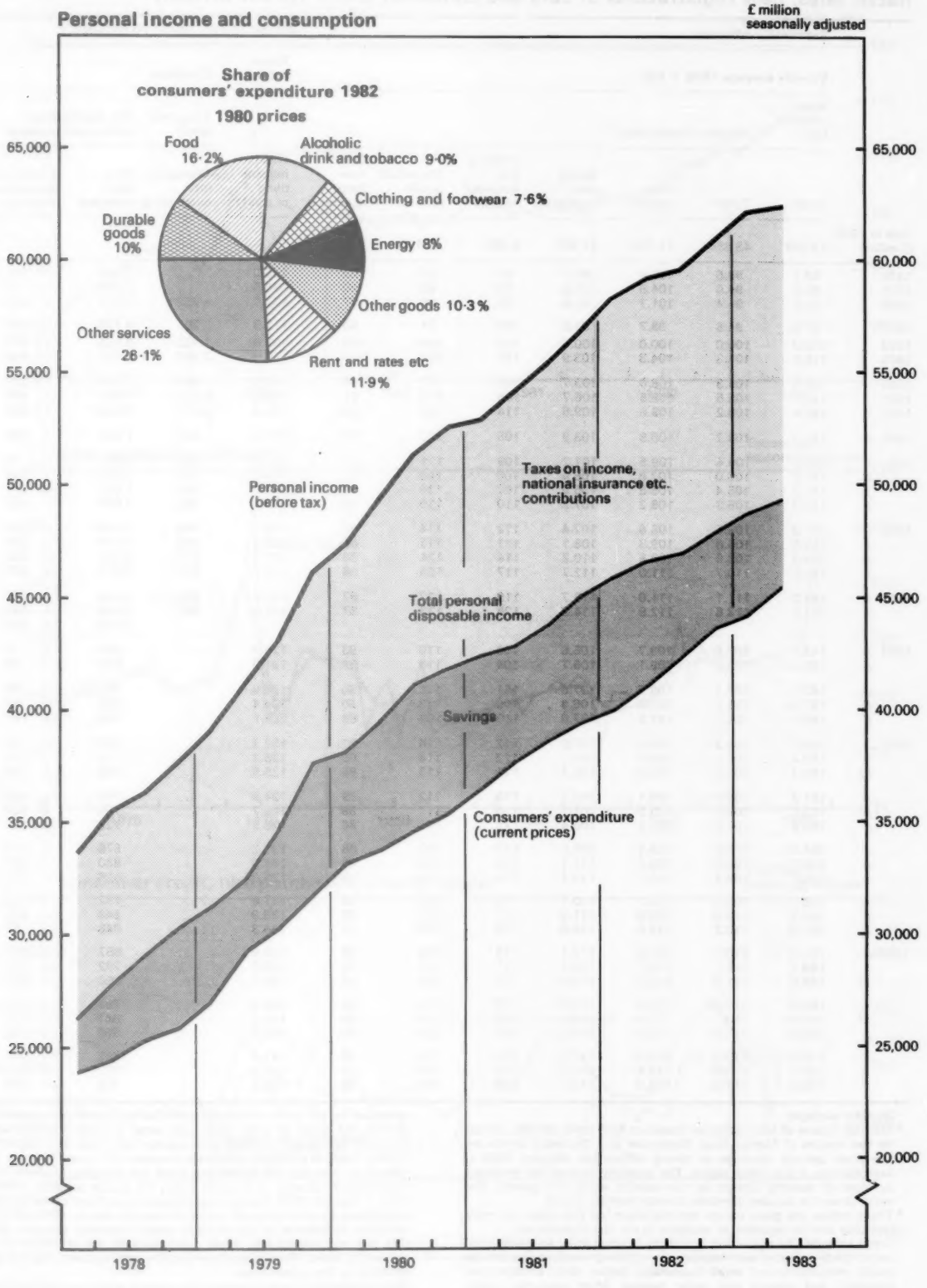
## Real consumers' expenditure — component categories

**Seasonally adjusted**

| | £ million, 1980 prices[1] | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | Other goods | | | | | Other services | |
| | Total | Durable goods: total | Food | Alcholic drink and tobacco | Clothing and footwear | Energy products | Other goods | Rent and rates etc. | Other services[2] |
| 1974 | 125 552 | 10 731 | 22 122 | 14 591 | 8 178 | 10 353 | 14 100 | 14 383 | 31 234 |
| 1975 | 124 824 | 10 816 | 22 001 | 14 264 | 8 262 | 10 127 | 13 473 | 14 651 | 31 336 |
| 1976 | 125 097 | 11 367 | 22 159 | 14 239 | 8 297 | 10 347 | 13 401 | 14 937 | 30 411 |
| 1977 | 124 646 | 10 654 | 21 883 | 14 173 | 8 419 | 10 533 | 13 457 | 15 228 | 30 371 |
| 1978 | 131 485 | 12 109 | 22 501 | 15 098 | 9 213 | 10 759 | 14 424 | 15 512 | 31 869 |
| 1979 | 137 863 | 13 818 | 22 893 | 15 517 | 9 878 | 11 114 | 14 824 | 15 787 | 34 032 |
| 1980 | 136 890 | 12 585 | 22 873 | 14 963 | 9 733 | 10 957 | 14 220 | 16 040 | 35 519 |
| 1981 | 137 063 | 12 896 | 22 676 | 14 299 | 10 039 | 10 992 | 14 182 | 16 263 | 35 716 |
| 1982 | 138 865 | 13 894 | 22 570 | 13 705 | 10 581 | 11 059 | 14 354 | 16 494 | 36 208 |
| 1980 *1* | 34 786 | 3 407 | 5 843 | 3 834 | 2 458 | 2 781 | 3 639 | 3 990 | 8 834 |
| *2* | 34 000 | 3 085 | 5 746 | 3 726 | 2 421 | 2 641 | 3 560 | 4 003 | 8 818 |
| *3* | 34 048 | 3 069 | 5 668 | 3 700 | 2 424 | 2 749 | 3 507 | 4 016 | 8 915 |
| *4* | 34 056 | 3 024 | 5 616 | 3 703 | 2 430 | 2 786 | 3 514 | 4 031 | 8 952 |
| 1981 *1* | 34 319 | 3 199 | 5 697 | 3 697 | 2 492 | 2 708 | 3 544 | 4 045 | 8 937 |
| *2* | 34 235 | 3 286 | 5 629 | 3 532 | 2 484 | 2 757 | 3 544 | 4 060 | 8 943 |
| *3* | 34 232 | 3 254 | 5 676 | 3 556 | 2 499 | 2 719 | 3 546 | 4 073 | 8 909 |
| *4* | 34 277 | 3 157 | 5 674 | 3 514 | 2 564 | 2 808 | 3 548 | 4 085 | 8 927 |
| 1982 *1* | 34 102 | 3 161 | 5 568 | 3 466 | 2 583 | 2 707 | 3 566 | 4 101 | 8 950 |
| *2* | 34 319 | 3 269 | 5 733 | 3 338 | 2 601 | 2 769 | 3 574 | 4 115 | 8 920 |
| *3* | 34 930 | 3 574 | 5 570 | 3 413 | 2 660 | 2 798 | 3 604 | 4 131 | 9 180 |
| *4* | 35 514 | 3 890 | 5 699 | 3 488 | 2 737 | 2 785 | 3 610 | 4 147 | 9 158 |
| 1983 *1* | 35 406 | 3 939 | 5 591 | 3 419 | 2 734 | 2 748 | 3 630 | 4 163 | 9 182 |
| *2* | 35 946 | 3 956 | 5 849 | 3 317 | 2 899 | 2 947 | 3 645 | 4 178 | 9 155 |

[1] For the years prior to 1978, the total differs from the sum of the components due to the method of rebasing to 1980 prices.
[2] Including the adjustments for international travel, etc and final expenditure by private non-profit-making bodies.

## Personal income and consumption



## Retail sales, new registrations of cars and consumer credit (Great Britain)

| | Seasonally adjusted | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Weekly average 1978 = 100 | | | | | | | Thousands[1] | £ million | | |
| | Value of retail sales[2] | Volume of retail sales[2] | | | | | | | Consumer credit | Hire purchase and other credit business[4] | |
| | Total[3] | Total[3] | Food retailers[3] | Mixed retail businesses[3] | Clothing and footwear retailers | Household goods retailers | Other non-food retailers | New registrations of cars[5][6] | Change in total outstanding | New credit extended | Change in amounts outstanding[6] |
| *Sale in 1978 £ million* | 43 866 | 43 866 | 14 714 | 11 603 | 4 389 | 6 489 | 6 671 | | | | |
| 1974 | 56.1 | 98.5 | 109.4 | 87.7 | 97 | 90 | 103 | 105.2 | .. | 2 508 | − 164 |
| 1975 | 66.6 | 96.6 | 104.8 | 90.5 | 96 | 88 | 99 | 99.5 | .. | 2 981 | − 13 |
| 1976 | 76.5 | 96.4 | 101.7 | 93.4 | 95 | 90 | 97 | 107.6 | 352† | 3 474 | + 348 |
| 1977 | 87.3 | 94.8 | 99.7 | 93.0 | 89 | 91 | 95 | 111.3 | 721 | 4 735 | + 935 |
| 1978 | 100.0 | 100.0 | 100.0 | 100.0 | 100 | 100 | 100 | 131.9 | 1 482 | 6 156 | +1 547 |
| 1979 | 116.5 | 104.3 | 104.3 | 103.9 | 106 | 108 | 100 | 143.3 | 2 060 | 7 337 | +1 766 |
| 1980 | 131.5 | 104.3 | 108.0 | 103.7 | 105 | 107 | 94 | 124.6 | 1 660 | 7 799 | +1 203 |
| 1981 | 143.1 | 105.5 | 108.5 | 106.7 | 108 | 110 | 91 | 124.8 | 2 501 | 7 797 | + 686 |
| 1982 | 155.4 | 108.2 | 109.6 | 109.6 | 114 | 120 | 88 | 131.0 | 2 612 | 9 010† | +1 619 |
| 1980 *4* | 135.2 | 104.2 | 108.9 | 103.9 | 105 | 107 | 91 | 112.0 | 328 | 1 840 | + 143 |
| 1981 *1* | 140.0 | 106.4 | 109.5 | 107.2 | 109 | 111 | 92 | 118.2 | 554 | 1 885 | + 99 |
| *2* | 141.2 | 105.0 | 107.8 | 106.4 | 106 | 109 | 91 | 123.2 | 481 | 1 933 | + 145 |
| *3* | 144.2 | 105.4 | 108.5 | 105.9 | 107 | 110 | 91 | 127.9 | 804 | 1 973 | + 137 |
| *4* | 146.9 | 105.3 | 108.2 | 107.2 | 110 | 110 | 89 | 130.2 | 662 | 2 006 | + 305 |
| 1982 *1* | 151.0 | 106.5 | 108.6 | 107.4 | 112 | 114 | 90 | 118.1 | 444 | 2 080† | + 246 |
| *2* | 152.8 | 106.8 | 109.3 | 108.1 | 111 | 115 | 88 | 123.3 | 352 | 2 134 | + 335 |
| *3* | 156.6 | 108.9 | 109.5 | 110.2 | 114 | 124 | 88 | 139.0 | 871 | 2 323 | + 534 |
| *4* | 161.1 | 110.7 | 111.0 | 112.7 | 117 | 125 | 88 | 143.6 | 945 | 2 473 | + 504 |
| 1983 *1* | 163.0 | 111.1 | 111.0 | 112.7 | 119 | 127 | 87 | 141.4 | 661 | 2 499 | + 629 |
| *2* | 167.9 | 113.6 | 112.8 | 114.8 | 126 | 133 | 87 | 144.0 | 661 | 2 498 | + 595 |
| *3* | | | | | | | | | | 2 608 | + 602 |
| 1981 *A* | 144.2 | 105.6 | 108.7 | 105.6 | 108 | 110 | 93 | 126.8 | .. | 644 | + 5 |
| *S* | 145.6 | 105.6 | 109.1 | 105.7 | 109 | 110 | 91 | 131.8 | .. | 676 | + 59 |
| *O* | 147.1 | 106.1 | 108.7 | 107.6 | 111 | 111 | 90 | 128.0 | .. | 667 | + 95 |
| *N* | 147.3 | 105.6 | 108.3 | 106.4 | 109 | 112 | 90 | 134.4 | .. | 659 | + 63 |
| *D* | 146.4 | 104.5 | 107.9 | 107.6 | 110 | 106 | 86 | 128.1 | .. | 680 | + 147 |
| 1982 *J* | 150.7 | 106.9 | 109.0 | 107.5 | 112 | 114 | 91 | 102.2 | .. | 680 | + 64 |
| *F* | 150.4 | 106.1 | 108.0 | 106.1 | 112 | 114 | 90 | 126.2 | .. | 675 | + 47 |
| *M* | 151.7 | 106.6 | 108.8 | 108.3 | 111 | 113 | 89 | 125.9 | .. | 745 | + 135 |
| *A* | 151 2 | 106.3 | 109.1 | 108.1 | 110 | 112 | 89 | 124.8 | .. | 705 | + 103 |
| *M* | 153.0 | 106.9 | 109.0 | 107.7 | 110 | 117 | 89 | 119.7 | .. | 703 | + 122 |
| *J* | 153.9 | 107.2 | 109.6 | 108.4 | 113 | 117 | 86 | 125.5 | .. | 726 | + 110 |
| *J* | 154.8 | 108.0 | 109.4 | 108.5 | 112 | 122 | 88 | 130.2 | .. | 678 | + 112 |
| *A* | 156.7 | 109.4 | 108.6 | 111.7 | 114 | 126 | 88 | 157.9 | .. | 830 | + 197 |
| *S* | 158.0 | 109.3 | 110.2 | 110.4 | 114 | 124 | 88 | 129.0 | .. | 815 | + 225 |
| *O* | 158.6 | 109.3 | 109.7 | 110.7 | 115 | 124 | 88 | 147.6 | .. | 782 | + 205 |
| *N* | 160.2 | 110.0 | 109.8 | 111.8 | 117 | 126 | 87 | 138.9 | .. | 843 | + 211 |
| *D* | 163.9 | 112.2 | 113.0 | 115.0 | 119 | 126 | 87 | 144.3 | .. | 848 | + 88 |
| 1983 *J* | 160.9 | 110.1 | 108.9 | 112.1 | 116 | 128 | 88 | 146.8 | .. | 857 | + 210 |
| *F* | 163.2 | 111.1 | 112.0 | 110.1 | 121 | 129 | 87 | 145.2 | .. | 792 | + 182 |
| *M* | 164.5 | 111.9 | 112.0 | 115.3 | 120 | 125 | 88 | 132.1 | .. | 850 | + 237 |
| *A* | 165.4 | 112.9 | 113.4 | 113.1 | 123 | 132 | 86 | 136.9 | .. | 783 | + 103 |
| *M* | 167.9 | 113.7 | 112.4 | 115.0 | 123 | 134 | 88 | 140.2 | .. | 847 | + 207 |
| *J* | 169.8 | 114.0 | 112.6 | 116.0 | 130 | 132 | 86 | 155.0 | .. | 868 | + 285 |
| *J* | 169.8 | 113.9 | 114.9 | 111.3 | 127 | 135 | 88 | 147.9 | .. | 782 | + 241 |
| *A* | 169.2 | 112.8 | 112.8 | 112.9 | 118 | 135 | 88 | 189.9 | .. | 937† | + 112† |
| *S* | 176.3 | 117.3 | 115.3 | 119.7 | 135 | 135 | 89 | 133.5 | .. | 889 | + 249 |

[1] Monthly averages.

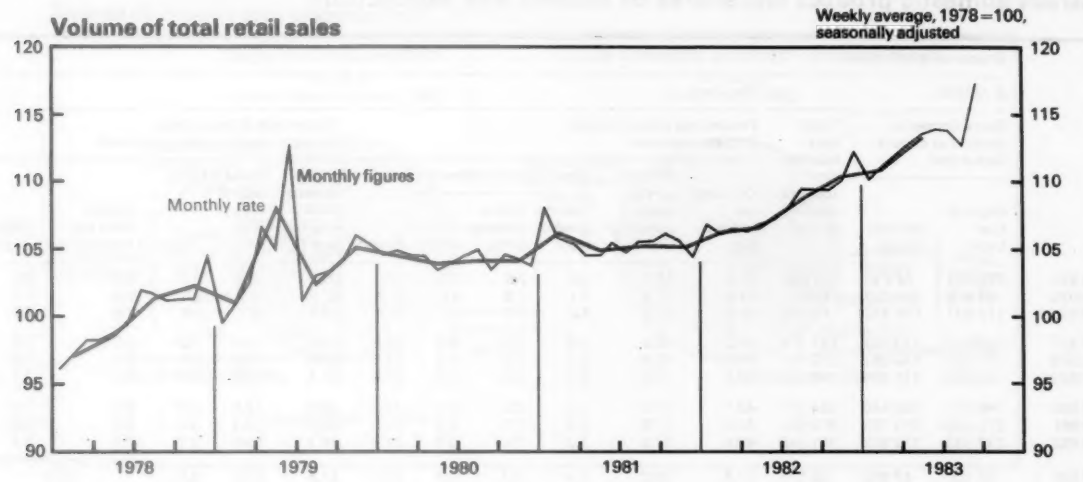
[2] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences January 1980 is exceptionally a five-week period. The quarterly indices are weighted averages of monthly indices for the months within the quarter. The weights are the number of weeks in each monthly period.

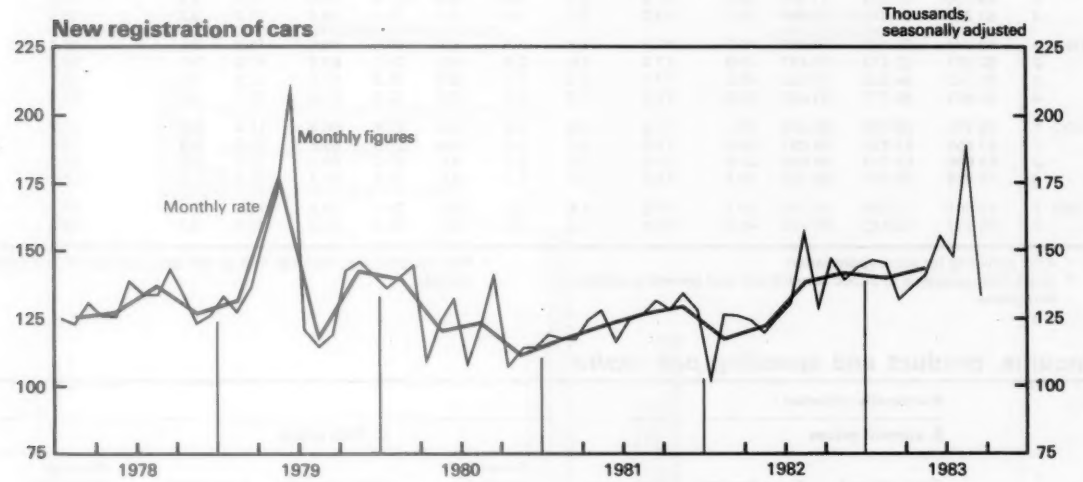
[3] These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.

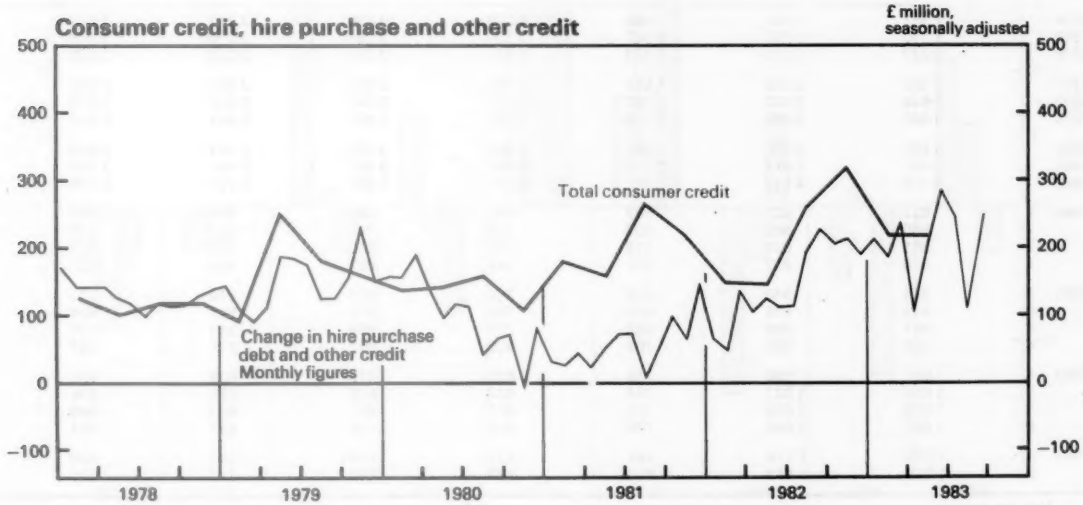
[4] Credit extended by and repaid to finance houses, other specialist consumer credit grantors and retailers, i.e. clothing retailers, household goods retailers, mixed retail businesses (other than co-operative societies) and general mail order houses. Most consumer credit extended by UK banks and credit extended by insurance companies is outside the scope of these series, but some lending to companies is included, (see pages 108–109 of *Economic Trends* No. 311, September 1979). There is a break in the series between 1977 and 1978 due to a change in coverage. For details see *Trade and Industry*, 12 April 1979.

[5] Following the change in taxation policy for goods vehicles, effective from 1 October 1982, the previous 'private car and van' series has been substituted by an analysis of cars in all taxation classes. Although there are slight differences in the monthly counts between the two series this will not significantly effect movements in the estimates of the underlying trend. The timing of the cyclical turning points has not been affected by the substitution.

[6] Including further interest payments due over the whole period of the loans


Volume of total retail sales
Weekly average, 1978=100, seasonally adjusted
120
115
110
105
100
95
90
Monthly figures
Monthly rate
1978
1979
1980
1981
1982
1983


New registration of cars
Thousands, seasonally adjusted
225
200
175
150
125
100
75
Monthly figures
Monthly rate
1978
1979
1980
1981
1982
1983


Consumer credit, hire purchase and other credit
£ million, seasonally adjusted
500
400
300
200
100
0
−100
Total consumer credit
Change in hire purchase debt and other credit
Monthly figures
1978
1979
1980
1981
1982
1983

## Gross domestic product and shares of income and expenditure

**Seasonally adjusted**

| | £ million | | | Per cent | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Gross domestic product at current factor cost | | Total final expenditure (current market prices) | Percentage share of total final expenditure | | | | | | Percentage share of gross domestic product (income based) | | | | |
| | | | | | | Gross fixed investment | | | | | Gross trading profits | | | |
| | Expenditure based | Income based | | Consumers' expenditure | General government consumption | General government | Public corporations | Private sector | Exports | Income from employment | Companies[1] | Other[1,2] | Income from self-employment[1] | Other income[3] |
| 1974 | 75 139 | 74 530 | 110 986 | 47.8 | 15.0 | 3.9 | 2.6 | 8.6 | 20.8 | 70.2 | 8.9 | 3.1 | 9.8 | 8.0 |
| 1975 | 94 976 | 94 332 | 134 427 | 48.6 | 17.1 | 3.7 | 2.9 | 8.6 | 20.2 | 72.5 | 8.1 | 2.9 | 8.8 | 7.7 |
| 1976 | 112 631 | 109 910 | 162 506 | 46.6 | 16.5 | 3.3 | 2.9 | 8.3 | 21.8 | 70.8 | 8.7 | 3 8 | 8.9 | 7.8 |
| 1977 | 128 072 | 127 681 | 187 370 | 46.3 | 15.6 | 2.6 | 2.6 | 8.6 | 23.3 | 67.5 | 12.6 | 3.8 | 8.6 | 7.5 |
| 1978 | 147 207 | 146 962 | 212 013 | 47.0 | 15.6 | 2.2 | 2.3 | 9.5 | 22.5 | 67.0 | 13.6 | 3.5 | 8.5 | 7.4 |
| 1979 | 169 096 | 170 174 | 248 946 | 47.6 | 15.4 | 2.1 | 2.3 | 9.5 | 22.2 | 67.4 | 13.4 | 3.0 | 8.5 | 7.7 |
| 1980 | 196 021 | 198 440 | 284 577 | 48.1 | 17.0 | 1.9 | 2.3 | 9.5 | 22.2 | 68.5 | 12.6 | 2.9 | 8.2 | 7.8 |
| 1981 | 213 665 | 214 793 | 310 561 | 49.0 | 17.6 | 1.5 | 2.2 | 8.9 | 21.8 | 68.1 | 12.3 | 3.4 | 8.2 | 8.0 |
| 1982 | 232 553 | 232 503 | 341 348 | 49.0 | 17.6 | 1.3 | 2.1 | 8.9 | 21.4 | 66.7 | 13.0 | 3.7 | 8.5 | 8.1 |
| 1980 *1* | 46 420 | 47 659 | 69 216 | 47.8 | 16.0 | 1.9 | 2.3 | 9.7 | 23.1 | 67.5 | 13.8 | 3.0 | 15.7 | |
| *2* | 48 326 | 49 529 | 70 995 | 47.6 | 16.4 | 1.9 | 2.4 | 9.5 | 22.4 | 68.0 | 13.6 | 2.6 | 15.8 | |
| *3* | 49 920 | 50 003 | 71 407 | 48.5 | 17.6 | 2.0 | 2.4 | 9.5 | 21 8 | 69.6 | 11.3 | 2.9 | 16.2 | |
| *4* | 51 355 | 51 249 | 72 959 | 48.5 | 18.0 | 2.0 | 2.3 | 9.4 | 21.6 | 68.8 | 11.7 | 3.2 | 16.3 | |
| 1981 *1* | 52 561 | 51 462 | 74 049 | 49.3 | 17.7 | 1.8 | 2.3 | 8.9 | 21.5 | 69.1 | 11.4 | 3.1 | 16.4 | |
| *2* | 52 391 | 52 472 | 75 457 | 49.9 | 17.4 | 1.6 | 2.3 | 8.8 | 21.7 | 68.8 | 11.5 | 3.5 | 16.2 | |
| *3* | 53,742 | 54,532 | 79 623 | 48.5 | 17.8 | 1.3 | 2.1 | 8.9 | 21.9 | 67.8 | 12.5 | 3.6 | 16.1 | |
| *4* | 54 971 | 56 327 | 81 432 | 48.5 | 17.4 | 1.3 | 2.1 | 8.8 | 22.2 | 67.0 | 13.7 | 3.4 | 15.9 | |
| 1982 *1* | 55 373 | 56 183 | 82 602 | 48.4 | 17.6 | 1.5 | 2.2 | 8.9 | 21.6 | 68.2 | 11.4 | 3.9 | 16 5 | |
| *2* | 57 556 | 57 834 | 84 851 | 48 5 | 17.5 | 1.1 | 2.1 | 8.9 | 21.5 | 66.8 | 13.2 | 3.5 | 16.4 | |
| *3* | 58 666 | 58 919 | 85 689 | 49.5 | 17.6 | 1.3 | 2.1 | 9.1 | 21.0 | 66.0 | 13.7 | 3.8 | 16.5 | |
| *4* | 60 958 | 59 567 | 88 206 | 49.4 | 17.6 | 1.3 | 2.1 | 8.8 | 21.5 | 65.9 | 13.7 | 3.7 | 16.7 | |
| 1983 *1* | 62 601 | 62 038 | 91 775 | 48.1 | 17 8 | 1.5 | 2.2 | 8.5 | 21.2 | 65.5 | 14.4 | 3.8 | 16.3 | |
| *2* | 62 437 | 62 872 | 91 706 | 49.5 | 17.4 | 1.2 | 2.0 | 8.5 | 21.3 | 64.8 | 15.1 | 3.7 | 16.4 | |

[1] After providing for stock appreciation.
[2] Gross trading surplus of public corporations and general government enterprises.
[3] Rent income, and imputed charge for consumption of non-trading capital.

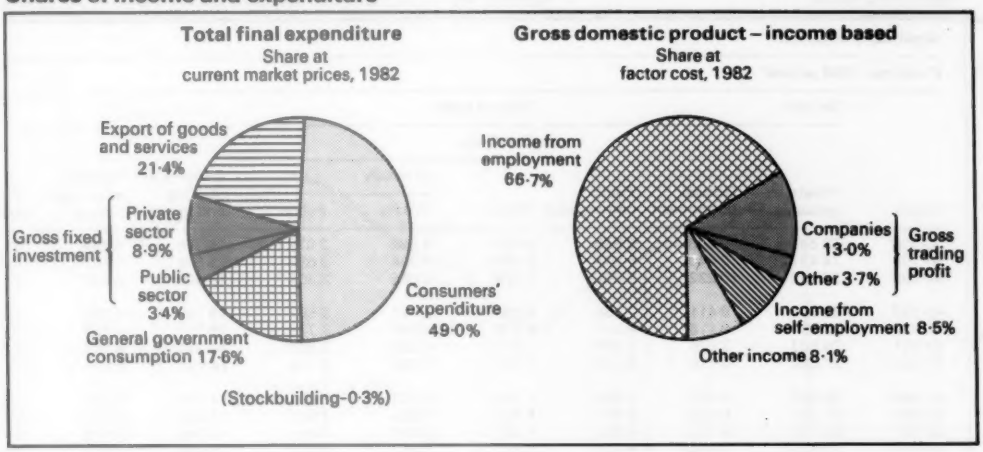
## Income, product and spending *per capita*

**Seasonally adjusted**

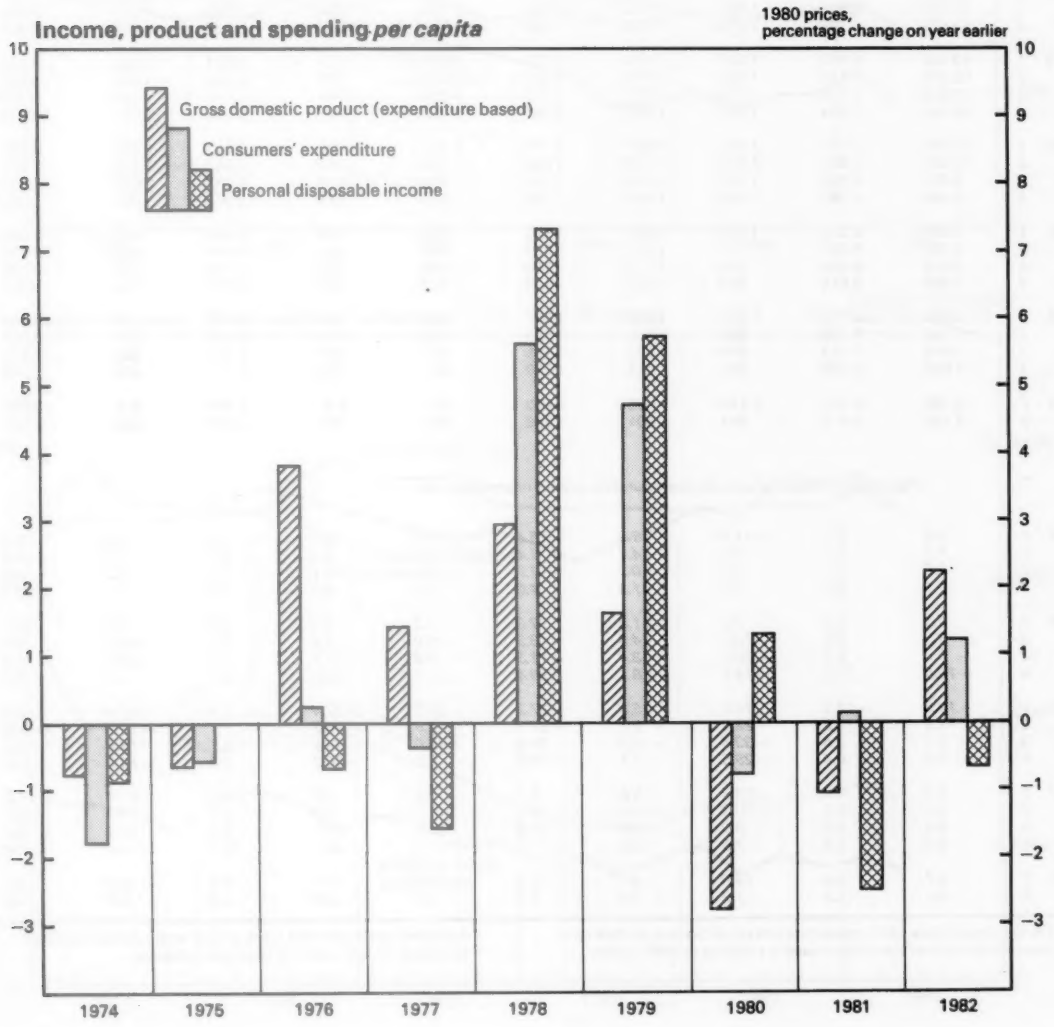
| | £, current prices | | | | £, 1980 prices | | |
|---|---|---|---|---|---|---|---|
| | Gross national product[1] | Gross domestic product[1,2] | Consumers' expenditure | Personal disposable income | Gross domestic product[1,2] | Consumers' expenditure | Personal disposable income |
| 1974 | 1 367 | 1 342 | 948 | 1 077 | 3 290 | 2 242 | 2 548 |
| 1975 | 1 710 | 1 697 | 1 167 | 1 334 | 3 266 | 2 230 | 2 548 |
| 1976 | 2 037 | 2 013 | 1 354 | 1 534 | 3 391 | 2 236 | 2 531 |
| 1977 | 2 292 | 2 290 | 1 551 | 1 733 | 3 440 | 2 229 | 2 491 |
| 1978 | 2 645 | 2 633 | 1 782 | 2 027 | 3 542 | 2 352 | 2 676 |
| 1979 | 3 040 | 3 023 | 2 116 | 2 430 | 3 600 | 2 464 | 2 830 |
| 1980 | 3 496 | 3 500 | 2 444 | 2 868 | 3 500 | 2 444 | 2 868 |
| 1981 | 3 837 | 3 814 | 2 718 | 3 106 | 3 462 | 2 447 | 2 796 |
| 1982 | 4 176 | 4 148 | 2 981 | 3 341 | 3 537 | 2 477 | 2 776 |
| 1980 *1* | 827 | 829 | 592 | 681 | 887 | 621 | 716 |
| *2* | 860 | 863 | 603 | 705 | 877 | 607 | 710 |
| *3* | 891 | 891 | 618 | 734 | 868 | 608 | 722 |
| *4* | 918 | 917 | 631 | 748 | 867 | 608 | 720 |
| 1981 *1* | 944 | 940 | 653 | 759 | 876 | 614 | 713 |
| *2* | 943 | 936 | 673 | 764 | 855 | 611 | 694 |
| *3* | 964 | 959 | 689 | 780 | 858 | 611 | 691 |
| *4* | 986 | 980 | 703 | 802 | 872 | 611 | 697 |
| 1982 *1* | 991 | 990 | 715 | 820 | 877 | 609 | 699 |
| *2* | 1 034 | 1 027 | 734 | 832 | 876 | 613 | 694 |
| *3* | 1 053 | 1 046 | 756 | 837 | 881 | 623 | 689 |
| *4* | 1 097 | 1 085 | 776 | 852 | 902 | 632 | 694 |
| 1983 *1* | 1 125 | 1 118 | 789 | 871 | 920† | 633 | 698 |
| *2* | 1 109 | 1 113 | 810 | 880 | 899 | 641 | 696 |

[1] At factor cost.
[2] Based on expenditure data.

## Shares of income and expenditure




## Income, product and spending *per capita*



## Gross domestic fixed capital formation by sector and by type of asset

**Seasonally adjusted**

**£ million, 1980 prices[1]**

| | | Sector[2] | | | Type of asset | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Dwellings | | | | | |
| | | Total[5] | Private sector | General government | Public corporations | Total | of which: Private | of which: Public | Other new building and works[3] | Vehicles, ships and aircraft | Plant and machinery |
| 1972 | | 39 508 | 23 543 | 9 748 | 5 969 | 8 622 | 5 598 | 3 072 | 15 765 | 4 567 | 11 106 |
| 1973 | | 41 798 | 24 437 | 10 940 | 6 203 | 8 058 | 4 994 | 3 088 | 16 329 | 5 107 | 12 476 |
| 1974 | | 40 639 | 23 152 | 10 232 | 7 061 | 7 425 | 4 086 | 3 304 | 15 602 | 4 897 | 12 819 |
| 1975 | | 40 297 | 22 965 | 9 411 | 7 764 | 8 052 | 4 449 | 3 567 | 15 763 | 4 293 | 12 276 |
| 1976 | | 40 856 | 23 594 | 9 118 | 8 007 | 8 276 | 4 445 | 3 779 | 15 777 | 4 152 | 12 692 |
| 1977 | | 39 851 | 24 887 | 7 575 | 7 328 | 7 577 | 4 139 | 3 398 | 14 797 | 4 687 | 12 833 |
| 1978 | | 41 210 | 27 620 | 6 715 | 6 875 | 7 734 | 4 590 | 3 144 | 14 580 | 5 126 | 13 770 |
| 1979 | | 41 586 | 28 342 | 6 451 | 6 793 | 7 253 | 4 392 | 2 861 | 14 201 | 5 279 | 14 853 |
| 1980 | | 39 302 | 27 123 | 5 528 | 6 651 | 6 387 | 3 865 | 2 522 | 13 495 | 4 510 | 14 910 |
| 1981 | | 35 557 | 25 199 | 4 122 | 6 236 | 4 855 | 3 197 | 1 658 | 13 040 | 3 543 | 14 119 |
| 1982 | | 37 614 | 27 420† | 3 854† | 6 340 | 5 391 | 3 462 | 1 929 | 14 428 | 3 617 | 14 178 |
| 1978 | 2 | 10 557 | 7 110 | 1 691 | 1 756 | 1 906 | 1 138 | 768 | 3 829 | 1 340 | 3 482 |
| | 3 | 10 247 | 6 864 | 1 661 | 1 722 | 1 925 | 1 101 | 824 | 3 583 | 1 281 | 3 458 |
| | 4 | 10 028 | 6 748 | 1 576 | 1 704 | 1 861 | 1 144 | 717 | 3 583 | 1 138 | 3 446 |
| 1979 | 1 | 10 168 | 6 883 | 1 576 | 1 709 | 1 728 | 1 027 | 701 | 3 521 | 1 333 | 3 586 |
| | 2 | 10 375 | 7 119 | 1 582 | 1 674 | 1 803 | 1 106 | 697 | 3 494 | 1 435 | 3 643 |
| | 3 | 10 508 | 7 076 | 1 705 | 1 727 | 1 777 | 1 036 | 741 | 3 647 | 1 360 | 3 724 |
| | 4 | 10 535 | 7 264 | 1 588 | 1 683 | 1 945 | 1 223 | 722 | 3 539 | 1 151 | 3 900 |
| 1980 | 1 | 10 249 | 7 101 | 1 461 | 1 687 | 1 777 | 1 061 | 716 | 3 443 | 1 240 | 3 789 |
| | 2 | 10 016 | 6 847 | 1 420 | 1 749 | 1 642 | 995 | 647 | 3 387 | 1 216 | 3 771 |
| | 3 | 9 653 | 6 633 | 1 352 | 1 668 | 1 576 | 966 | 610 | 3 292 | 1 007 | 3 778 |
| | 4 | 9 384 | 6 542 | 1 295 | 1 547 | 1 392 | 843 | 549 | 3 373 | 1 047 | 3 572 |
| 1981 | 1 | 8 998 | 6 204 | 1 204 | 1 590 | 1 292 | 844 | 448 | 3 264 | 900 | 3 542 |
| | 2 | 8 785 | 6 081 | 1 107 | 1 597 | 1 197 | 768 | 429 | 3 147 | 928 | 3 513 |
| | 3 | 8 815 | 6 398 | 898 | 1 519 | 1 190 | 792 | 398 | 3 270 | 810 | 3 545 |
| | 4 | 8 959 | 6 516 | 913 | 1 530 | 1 176 | 793 | 383 | 3 359 | 905 | 3 519 |
| 1982 | 1 | 9 353 | 6 753† | 1 000† | 1 600 | 1 310 | 836 | 474 | 3 531 | 1 007 | 3 505 |
| | 2 | 9 146 | 6 699 | 893 | 1 554 | 1 325 | 858 | 467 | 3 453 | 801 | 3 567 |
| | 3 | 9 573 | 7 022 | 979 | 1 572 | 1 369 | 887 | 482 | 3 727 | 940 | 3 537 |
| | 4 | 9 542 | 6 946 | 982 | 1 614 | 1 387 | 881 | 506 | 3 717 | 869 | 3 569 |
| 1983 | 1 | 9 788 | 6 983 | 1 140 | 1 665 | 1 473 | 897 | 576 | 3 761 | 904 | 3 650 |
| | 2 | 9 223 | 6 818 | 904 | 1 501 | 1 393 | 940 | 453 | 3 486 | 840 | 3 504 |
| | | *Percentage change, quarter on corresponding quarter of previous year* | | | | | | | | | |
| 1979 | 1 | *– 2.0* | *– 0.2* | *–11.8* | *0.9* | *–15.4* | *–14.9* | *–16.1* | *– 1.8* | *– 2.5* | *6.0* |
| | 2 | *– 1.7* | *0.1* | *– 6.4* | *– 4.7* | *– 5.4* | *– 2.8* | *– 9.2* | *– 8.8* | *7.1* | *4.6* |
| | 3 | *2.5* | *3.1* | *2.6* | *0.3* | *– 7.7* | *– 5.9* | *–10.1* | *1.8* | *6.2* | *7.7* |
| | 4 | *5.1* | *7.6* | *0.8* | *– 1.2* | *4.5* | *6.9* | *0.7* | *– 1.2* | *1.1* | *13.2* |
| 1980 | 1 | *0.8* | *3.2* | *– 7.3* | *– 1.3* | *2.8* | *3.3* | *2.2* | *– 2.2* | *– 7.0* | *5.7* |
| | 2 | *– 3.5* | *– 3.8* | *–10.2* | *4.5* | *– 8.9* | *–10.0* | *– 7.2* | *– 3.1* | *–15.2* | *3.5* |
| | 3 | *– 8.1* | *– 6.3* | *–20.7* | *– 3.4* | *–11.3* | *– 6.8* | *–17.7* | *– 9.7* | *–26.0* | *1.4* |
| | 4 | *–10.9* | *–10.0* | *–18.5* | *– 8.1* | *–28.4* | *–31.1* | *–24.0* | *– 4.7* | *– 9.0* | *– 8.4* |
| 1981 | 1 | *–12.2* | *–12.6* | *–17.6* | *– 5.8* | *–27.3* | *–20.5* | *–37.4* | *– 5.2* | *–27.4* | *– 6.5* |
| | 2 | *–12.3* | *–11.2* | *–22.0* | *– 8.7* | *–27.1* | *–22.8* | *–33.7* | *– 7.1* | *–23.7* | *– 6.8* |
| | 3 | *– 8.7* | *– 3.6* | *–33.6* | *– 8.9* | *–24.5* | *–18.0* | *–34.8* | *– 0.7* | *–19.6* | *– 6.2* |
| | 4 | *– 4.5* | *– 0.4* | *–29.5* | *– 1.1* | *–15.5* | *– 5.9* | *–30.2* | *– 0.4* | *–13.5* | *– 1.5* |
| 1982 | 1 | *3.9* | *8.8* | *–16.9* | *0.6* | *1.4* | *– 0.9* | *5.8* | *8.2* | *11.9* | *– 1.0* |
| | 2 | *4.1* | *10.2* | *–19.3* | *– 2.7* | *10.7* | *11.7* | *8.9* | *9.7* | *–13.7* | *1.5* |
| | 3 | *8.6* | *9.8* | *9.0* | *3.5* | *15.0* | *12.0* | *21.1* | *14.0* | *16.0* | *– 0.2* |
| | 4 | *6.5* | *6.6* | *7.6* | *5.5* | *17.9* | *11.1* | *32.1* | *10.7* | *– 4.0* | *1.4* |
| 1983 | 1 | *4.7* | *3.4* | *14.0* | *4.1* | *12.4* | *7.3* | *21.5* | *6.5* | *–10.2* | *4.1* |
| | 2 | *0.8* | *1.8* | *1.2* | *– 3.4* | *5.1* | *9.6* | *– 3.0* | *1.0* | *4.9* | *– 1.8* |

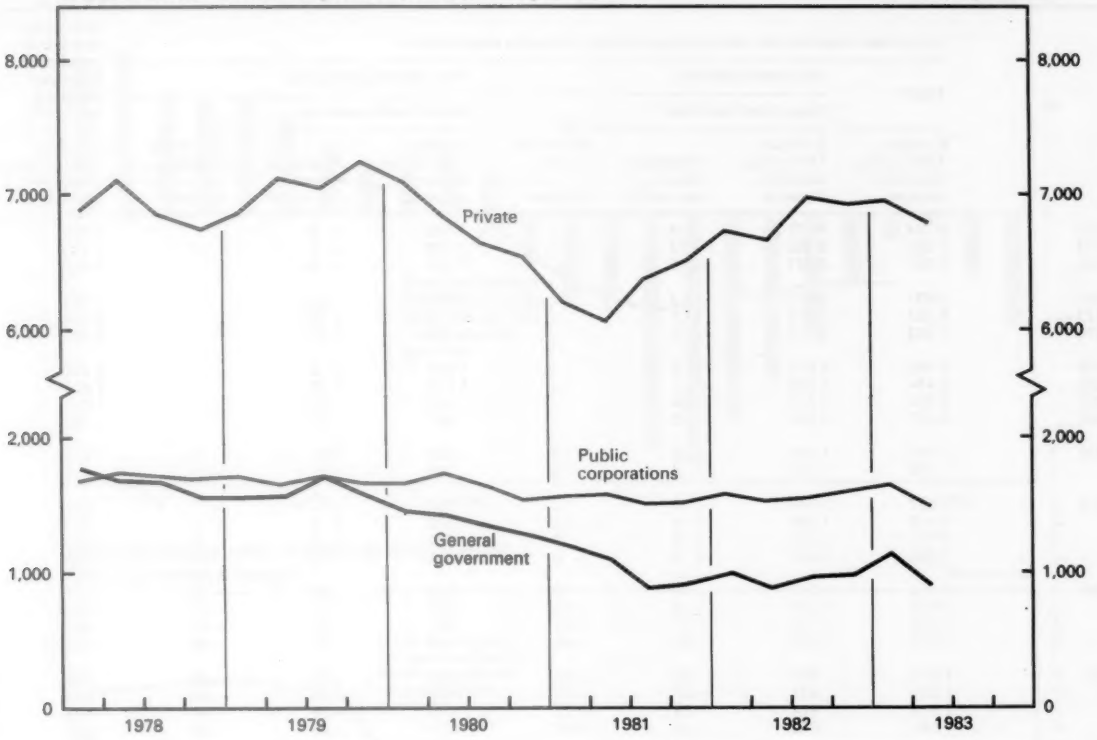
[1] For the years before 1978, totals may not equal the sum of their components, because of the method used in rebasing to 1980 prices.

[2] Including purchases *less* sales of land and existing buildings.

[3] Including transfer costs of land and buildings.

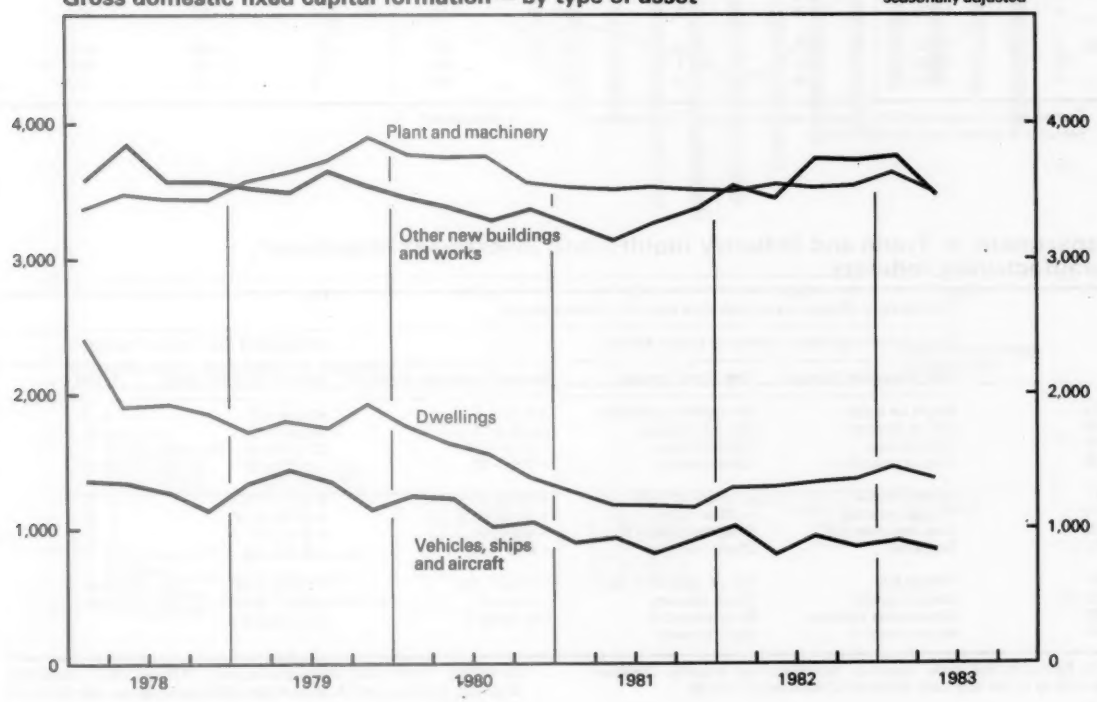
**Gross domestic fixed capital formation – by sector**

£ million 1980 prices seasonally adjusted




**Gross domestic fixed capital formation – by type of asset**

£ million 1980 prices seasonally adjusted



## Indicators of fixed investment by manufacturing industry (revised definition)

| | | Gross fixed investment by manufacturing industry (excluding leased assets) | | | | | | | New orders received by contractors for private industrial work (GB) |
|---|---|---|---|---|---|---|---|---|---|
| | | Total§ | Plant and machinery | | | New building and works | | | |
| | | | Gross fixed investment | | CBI Intentions Inquiry | Gross fixed investment | | CBI Intentions Inquiry | |
| | | £ million, 1980 prices, seasonally adjusted | £ million, 1980 prices, seasonally adjusted | *Percentage change on year earlier* | Balance[1] | £ million, 1980 prices, seasonally adjusted | *Percentage change on year earlier* | Balance[1] | £ million, 1980 prices, seasonally adjusted |
| 1973 | | 6 764 | 4 751 | + *9* | .. | 1 402 | − *3* | .. | 2 890 |
| 1974 | | 7 397 | 5 362 | +*13* | .. | 1 388 | − *1* | .. | 2 416 |
| 1975 | | 6 781 | 5 031 | − *6* | .. | 1 281 | − *8* | .. | 1 536 |
| 1976 | | 6 437 | 4 853 | − *4* | .. | 1 036 | −*19* | .. | 1 790 |
| 1977 | | 6 757 | 4 974 | + *2* | .. | 1 135 | +*10* | .. | 2 144 |
| 1978 | | 7 203 | 5 302 | + *7* | .. | 1 276 | +*12* | .. | 2 241 |
| 1979 | | 7 468 | 5 528 | + *4* | .. | 1 304 | + *2* | .. | 2 241 |
| 1980 | | 6 444 | 4 926 | − *1* | .. | 1 051 | −*19* | .. | 1 803 |
| 1981 | | 4 864 | 3 721 | −*24* | .. | 762 | −*27* | .. | 1 611 |
| 1982 | | 4 457 | 3 344 | −*10* | .. | 687 | −*10* | .. | 1 350 |
| 1978 | *3* | 1 788 | 1 306 | + *3* | 13 | 322 | +*15* | −15 | 579 |
| | *4* | 1 799 | 1 328 | + *4* | 10 | 335 | +*15* | −11 | 478 |
| 1979 | *1* | 1 887 | 1 377 | + *5* | 12 | 350 | +*14* | − 7 | 525 |
| | *2* | 1 853 | 1 369 | + *1* | 12 | 320 | + *2* | − 6 | 576 |
| | *3* | 1 861 | 1 375 | + *5* | 8 | 331 | + *3* | − 9 | 553 |
| | *4* | 1 868 | 1 407 | + *6* | − 9 | 302 | −*10* | −20 | 586 |
| 1980 | *1* | 1 745 | 1 343 | − *2* | −18 | 259 | −*26* | −30 | 471 |
| | *2* | 1 690 | 1 284 | − *6* | −18 | 284 | −*11* | −31 | 490 |
| | *3* | 1 593 | 1 219 | −*11* | −43 | 265 | −*20* | −47 | 423 |
| | *4* | 1 417 | 1 080 | −*23* | −46 | 243 | −*19* | −49 | 420 |
| 1981 | *1* | 1 310 | 997 | −*26* | −38 | 227 | −*12* | −46 | 346 |
| | *2* | 1 221 | 937 | −*27* | −30 | 193 | −*32* | −40 | 379 |
| | *3* | 1 172 | 914 | −*25* | −23 | 163 | −*38* | −35 | 483 |
| | *4* | 1 161 | 872 | −*19* | −13 | 179 | −*26* | −33 | 403 |
| 1982 | *1* | 1 137 | 847 | −*15* | − 5 | 187 | −*18* | −25 | 367 |
| | *2* | 1 107 | 832 | −*11* | − 2 | 166 | −*14* | −25 | 334 |
| | *3* | 1 092 | 818 | −*10* | −11 | 165 | − *1* | −26 | 358 |
| | *4* | 1 122 | 848 | − *3* | −20 | 169 | − *6* | −33 | 291 |
| 1983 | *1* | 1 034 | 797 | − *6* | − 5 | 143 | −*23* | −26 | 431 |
| | *2* | 1 036 | 841 | + *1* | 6 | 143 | −*14* | −15 | 364 |
| | *3* | 1 065 | 805 | − *2* | 18 | 160 | − *3* | − 5 | 431[2] |

[1] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.

[2] Provisional.

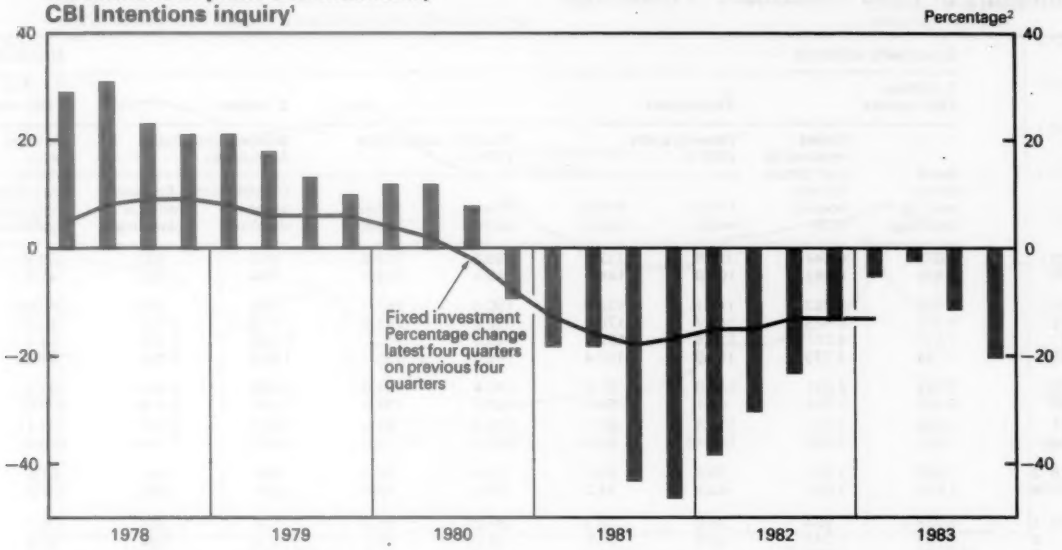
## Department of Trade and Industry inquiry into investment intentions[2]: manufacturing industry

| | Percentage change over previous year, in volume terms | | | | |
|---|---|---|---|---|---|
| | Gross fixed investment (excluding leased assets) | | | | |
| | First December Forecast | First June Forecast | Second December Forecast | Second June Forecast | Actual |
| 1973 | Might be a rise | No specific comment | +2 to +5 | About +5 | + 2 |
| 1974 | Strong increase | Strong increase | some +12 to +14 | About +5 | +10 |
| 1975 | Little change | Little change | −7 to −10 | Of order of −15 | − 7 |
| 1976 | Further reduction | Little change | −5 to −8 | −6 (5 to 8) | − 6 |
| 1977 | Large increase | Of order of +15 | +10 to +15 | +6 to +10 | + 5 |
| 1978 | Strong increase | +20 or more | +10 to +13 | +10 to +13 | + 8 |
| 1979 | Rise, less than +8 | Rise, less than +8 | +4 to +8 | +2 to +5 | + 5 |
| 1980 | Slight fall | Slight fall | −6 to −10 | −8 to −12 | − 9 |
| 1981 | Further fall | Fall of up to 8 to 12 | −15 to −20 | −15 to −18 | −18 |
| 1982 | Some recovery | Some recovery | −1 to −3 | −3 to −5 | −10 |
| 1983 | Appreciable increase | Rise, around 5 | Fall, up to 5 | Fall, around 4 | |
| 1984 | No recovery | Slow growth | | | |

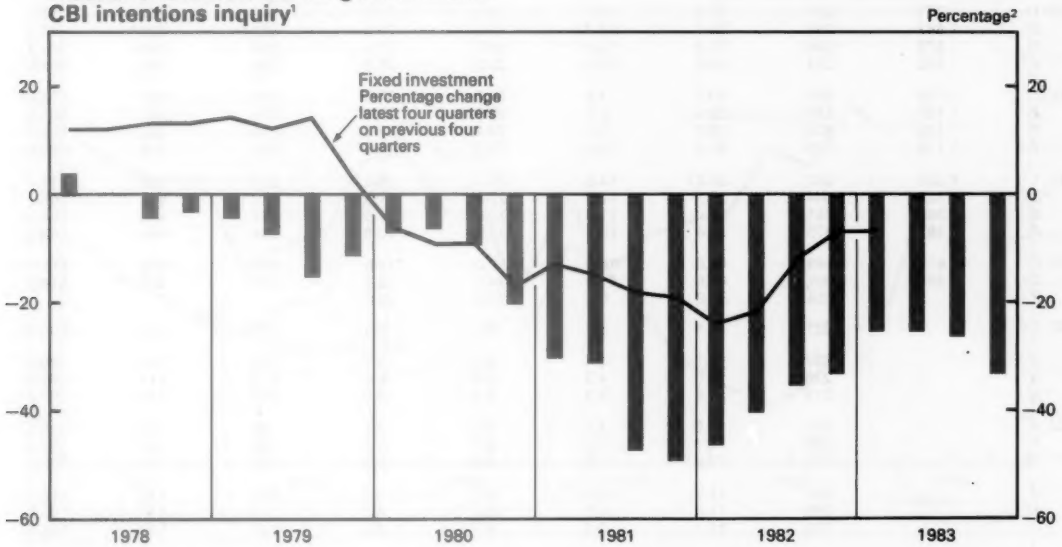
[1] The figures in this table relate to manufacturing industry classified according to the Standard Industrial Classification (1968).

[2] An article, "Investment intentions survey: 1972 to 1982", published in *British business* on 16 September 1983 expands on the table and also includes a similar table for the distributive and service industries.

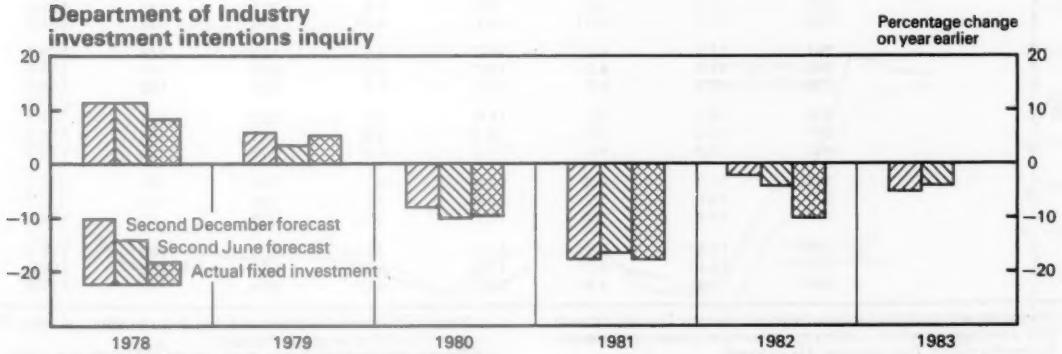
**Investment in plant and machinery**
**CBI Intentions inquiry[1]**




**Investment in new buildings and works**
**CBI intentions inquiry[1]**




**Department of Industry**
**investment intentions inquiry**




[1]The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage changes in fixed investment

[2]Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less

## Indicators of fixed investment in dwellings

| | Seasonally adjusted | | | | | | | | Unadjusted |
|---|---|---|---|---|---|---|---|---|---|
| | £ million, 1980 prices | | Thousands | | | | £ million | | 1980 =100 |
| | | | Housing starts (GB) § | | Housing completions (GB) § | | Building Societies Association | | |
| | Fixed investment in dwellings | Orders received by contractors for new houses (GB) | Private sector | Public sector | Private sector | Public sector | Commitments on new dwellings | Advances on new dwellings | Average price of new dwellings: mortgages approved[1] |
| 1973 | 8 058 | 6 844 | 215.7 | 112.8 | 186.6 | 107.5 | 816 | 903 | 39.2 |
| 1974 | 7 425 | 4 482 | 105.9 | 148.1 | 140.9 | 128.6 | 704 | 700 | 41.6 |
| 1975 | 8 052 | 5 352 | 149.1 | 173.8 | 150.8 | 162.3 | 994 | 945 | 45.5[2] |
| 1976 | 8 276 | 5 479 | 154.7 | 170.8 | 152.2 | 163.0 | 1 119 | 1 125 | 49.3 |
| 1977 | 7 577 | 4 501 | 134.8 | 132.1 | 140.8 | 162.5 | 1 260 | 1 175 | 54.2 |
| 1978 | 7 734 | 4 733 | 157.3 | 107.4 | 149.0 | 130.7 | 1 523 | 1 504 | 64.9 |
| 1979 | 7 253 | 4 001 | 144.0 | 81.2 | 140.4 | 104.0 | 1 498 | 1 519 | 83.4 |
| 1980 | 6 387 | 2 702 | 98.1 | 56.4 | 126.9 | 106.9 | 1 444 | 1 406 | 100.0 |
| 1981 | 4 855 | 2 548 | 115.1 | 37.0 | 112.8 | 84.5 | 1 427 | 1 456 | 102.4[3] |
| 1982 | 5 391 | 3 552 | 140.1† | 52.3† | 121.1† | 49.4 | 1 931† | 1 716† | 104.1 |
| 1978 *3* | 1 925 | 1 201 | 38.3 | 26.0 | 35.8 | 32.4 | 357 | 362 | 67.5 |
| *4* | 1 861 | 1 097 | 43.9 | 24.2 | 37.3 | 31.4 | 381 | 368 | 71.8 |
| 1979 *1* | 1 728 | 924 | 28.0 | 18.2 | 31.2 | 23.2 | 375 | 368 | 75.7 |
| *2* | 1 803 | 1 043 | 35.5 | 20.9 | 33.8 | 25.3 | 378 | 384 | 81.2 |
| *3* | 1 777 | 1 088 | 38.1 | 19.9 | 32.9 | 24.8 | 378 | 399 | 86.8 |
| *4* | 1 945 | 945 | 42.4 | 22.2 | 42.5 | 30.7 | 367 | 368 | 91.9 |
| 1980 *1* | 1 777 | 850 | 28.2 | 18.1 | 34.1 | 27.2 | 348 | 362 | 96.1 |
| *2* | 1 642 | 683 | 26.1 | 14.4 | 32.3 | 27.3 | 329† | 320† | 99.9 |
| *3* | 1 576 | 596 | 21.3 | 13.6 | 31.2 | 27.1 | 393 | 348 | 101.7 |
| *4* | 1 392 | 574 | 22.5 | 10.3 | 29.3 | 25.3 | 388 | 374 | 102.5 |
| 1981 *1* | 1 292 | 620 | 30.7 | 8.8 | 30.3 | 27.0 | 372 | 383 | 104.2[3] |
| *2* | 1 197 | 587 | 28.4 | 8.3 | 26.7 | 22.4 | 376 | 365 | 104.6 |
| *3* | 1 190 | 639 | 29.7 | 9.0 | 28.4 | 19.5 | 340 | 361 | 102.3 |
| *4* | 1 176 | 700 | 26.3 | 10.9 | 27.4 | 15.6 | 331 | 348 | 97.9 |
| 1982 *1* | 1 310 | 842 | 36.2† | 14.5 | 29.1 | 15.3 | 354 | 328 | 99.1 |
| *2* | 1 325 | 844 | 33.7 | 12.5 | 29.5 | 11.9 | 452 | 405 | 103.7 |
| *3* | 1 369 | 891 | 34.9 | 11.6† | 30.1† | 11.5† | 492 | 438 | 104.5 |
| *4* | 1 387 | 975 | 35.4 | 13.7 | 32.5 | 10.8 | 604 | 545 | 108.2 |
| 1983 *1* | 1 473 | 1 188 | 46.0 | 16.5 | 33.0 | 11.6 | 559 | 542 | 111.7 |
| *2* | 1 393 | 1 004 | 40.8 | 11.4 | 34.9 | 12.2 | 578 | 555 | 116.3 |
| *3* | | 1 024[4] | 39.0 | 8.6 | 32.8 | 12.6 | | | |
| 1981 *S* | .. | 221 | 9.4 | 3.3 | 9.6 | 6.0 | 113 | 118 | 100.2 |
| *O* | .. | 257 | 9.1 | 3.4 | 9.2 | 5.7 | 105 | 115 | 98.9 |
| *N* | .. | 228 | 9.6 | 4.2 | 9.3 | 5.6 | 113 | 117 | 97.1 |
| *D* | .. | 216 | 7.6 | 3.3 | 8.9 | 4.3 | 115 | 114 | 97.6 |
| 1982 *J* | .. | 247 | 10.6 | 4.7 | 9.6 | 5.1 | 84 | 92 | 98.5 |
| *F* | .. | 285 | 12.7 | 5.3 | 9.7 | 5.2 | 126 | 105 | 97.6 |
| *M* | .. | 310 | 12.9† | 4.5 | 9.8 | 5.0 | 151 | 122 | 100.4 |
| *A* | .. | 297 | 11.7 | 4.3 | 9.2 | 4.2 | 148 | 130 | 102.1 |
| *M* | .. | 268 | 11.9 | 4.5 | 10.6 | 4.5 | 145 | 137 | 103.9 |
| *J* | .. | 279 | 10.1 | 3.7 | 9.7 | 3.2 | 152 | 139 | 105.2 |
| *J* | .. | 273 | 11.6 | 3.4 | 10.2 | 3.6 | 139 | 139 | 104.0 |
| *A* | .. | 292 | 12.2 | 4.2 | 9.8 | 3.9 | 152 | 138 | 104.4 |
| *S* | .. | 325 | 11.1 | 4.0† | 10.1† | 4.0† | 178 | 152 | 104.9 |
| *O* | .. | 291 | 11.5 | 4.2 | 10.7 | 3.8 | 192† | 168 | 108.2 |
| *N* | .. | 346 | 11.6 | 4.5 | 10.7 | 3.4 | 205 | 181† | 108.1 |
| *D* | .. | 338 | 12.3 | 5.0 | 11.1 | 3.6 | 207 | 196 | 108.1 |
| 1983 *J* | .. | 408 | 16.1 | 5.2 | 11.0 | 3.9 | 184 | 171 | 110.9 |
| *F* | .. | 379 | 15.0 | 6.5 | 10.7 | 3.8 | 196 | 181 | 110.5 |
| *M* | .. | 402 | 14.9 | 4.8 | 11.3 | 3.9 | 179 | 190 | 113.2 |
| *A* | .. | 381 | 12.7 | 4.3 | 11.8 | 4.1 | 187 | 181 | 115.1 |
| *M* | .. | 300 | 13.5 | 3.7 | 12.0 | 4.1 | 185 | 185 | 117.1 |
| *J* | .. | 323 | 14.6 | 3.4 | 11.1 | 4.0 | 206 | 189 | 116.6 |
| *J* | .. | 346† | 13.5[4] | 2.8[4] | 10.8[4] | 4.6[4] | 172 | 186 | 118.4 |
| *A* | .. | 313[4] | 13.4[4] | 3.0[4] | 11.3[4] | 4.0[4] | 197 | 196 | 118.0 |
| *S* | .. | 365[4] | 12.0[4] | 2.8[4] | 10.7[4] | 4.0[4] | 204 | 197 | 117.0 |

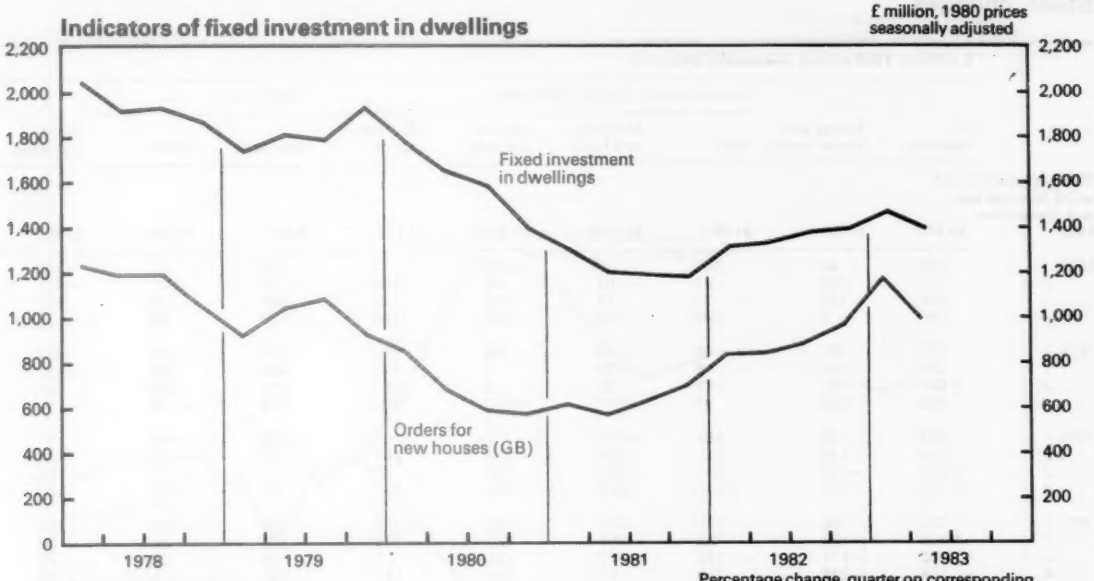
[1] Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.

[2] From 1975 figures are based on a new monthly return covering 90 per cent of building society mortgages.

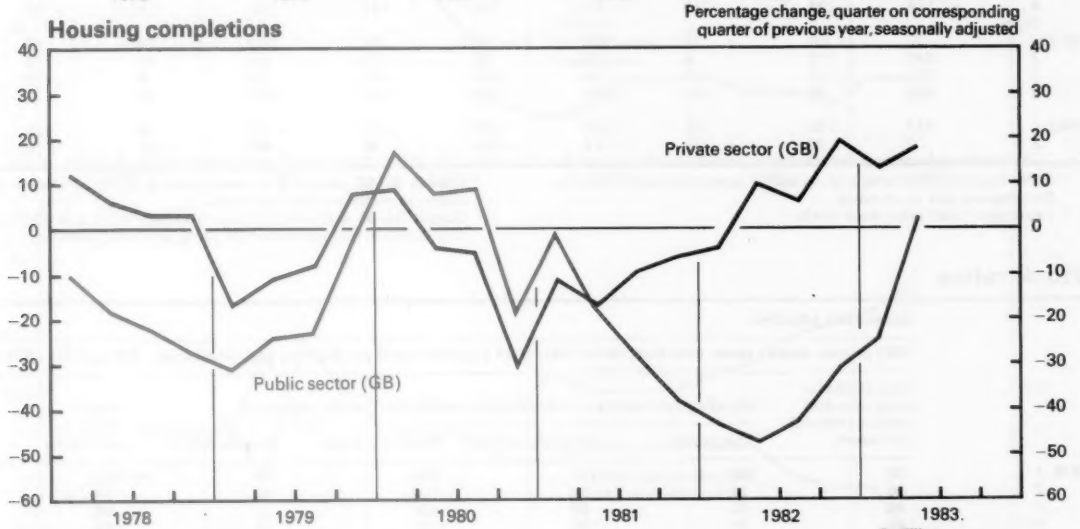
[3] Figures are based on a new return introduced in January 1981.

[4] Provisional.

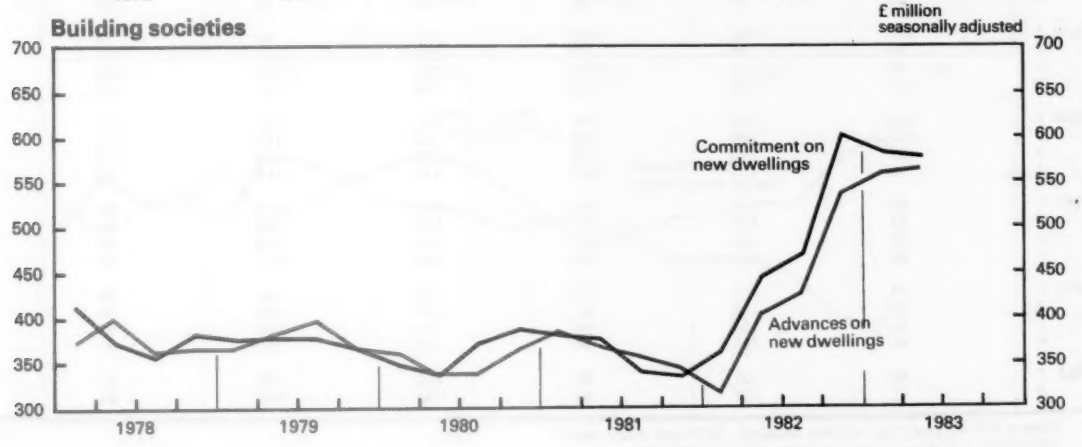
## Indicators of fixed investment in dwellings




## Housing completions




## Building societies



## Stock changes

**£ million, 1980 prices, seasonally adjusted**

| | All industries | Energy and Water Supply | Manufacturing[1] (revised definition) | | | | Distribution | | Other industries |
|---|---|---|---|---|---|---|---|---|---|
| | | | Total | Materials and fuels | Work in progress | Finished goods | Wholesale[3] | Retail[4] | |
| **Value of stocks and work in progress end-December** | | | | | | | | | |
| **1982**[2] | 64 840 | 4 776 | 31 652 | 10 105 | 11 825 | 9 722 | 9 573 | 7 144 | 11 695 |
| 1978 *1* | 383 | 69 | 141 | 121 | − 15 | 34 | 183 | 32 | − 42 |
| *2* | 787 | 108 | 99 | − 69 | 10 | 158 | 78 | 257 | 247 |
| *3* | 440 | −126 | − 10 | 17 | −103 | 76 | 295 | 173 | 108 |
| *4* | 480 | 8 | 246 | 105 | 284 | −142 | 137 | 98 | − 9 |
| 1979 *1* | 852 | −387 | 45 | − 45 | − 68 | 158 | 376 | 131 | 687 |
| *2* | 279 | − 90 | 15 | 135 | 1 | −121 | 483 | 168 | −297 |
| *3* | 1 040 | 151 | 183 | 32 | 0 | 151 | 144 | 336 | 226 |
| *4* | 319 | 186 | 32 | −107 | −194 | 333 | 279 | − 88 | − 90 |
| 1980 *1* | − 501 | − 28 | − 167 | −270 | − 7 | 109 | −105 | −292 | 91 |
| *2* | − 135 | 138 | − 248 | −180 | −234 | 167 | −164 | 18 | 121 |
| *3* | −1 201 | − 88 | − 636 | −387 | −192 | − 56 | −271 | − 17 | −189 |
| *4* | −1 399 | 124 | −1 270 | −414 | −281 | −576 | 66 | −127 | −192 |
| 1981 *1* | −1 010 | 88 | − 762 | −342 | −135 | −285 | − 68 | 136 | −404 |
| *2* | −1 329 | −152 | − 753 | −356 | −127 | −270† | −222 | − 20 | −182 |
| *3* | − 182 | −177 | − 162 | −167 | 91 | − 87 | 130 | 22 | 5 |
| *4* | − 134 | −238 | 219 | − 57 | 126 | 151 | − 51 | 9 | − 73 |
| 1982 *1* | 27 | 68 | − 36 | − 55 | − 67 | 86 | −108 | 74 | 29 |
| *2* | 243 | 118 | 4 | 18 | 39 | − 53 | 96 | 11 | 14 |
| *3* | − 621 | −121 | − 342 | −119 | −101 | −122 | 22 | 9 | −189 |
| *4* | − 680 | 94 | − 634 | −336 | −164 | −134 | −248 | 34 | 74 |
| 1983 *1* | 612 | 150 | 23 | −167 | 210 | − 21 | − 32 | 36 | 435 |
| *2* | 71 | 30 | − 93 | − 67 | −106 | 80 | 88 | − 132 | 178 |

[1] Differences between totals and the sum of constituent parts of manufacturing are due to rounding.
[2] Unadjusted 1980 price stock levels.
[3] Classes 61–63 excluding activity heading 6148; wholesale distribution of motor vehicles and parts.
[4] Classes 64–65 excluding activity headings 6510 and 6520; retail distribution of motor vehicles and parts, and filling stations.

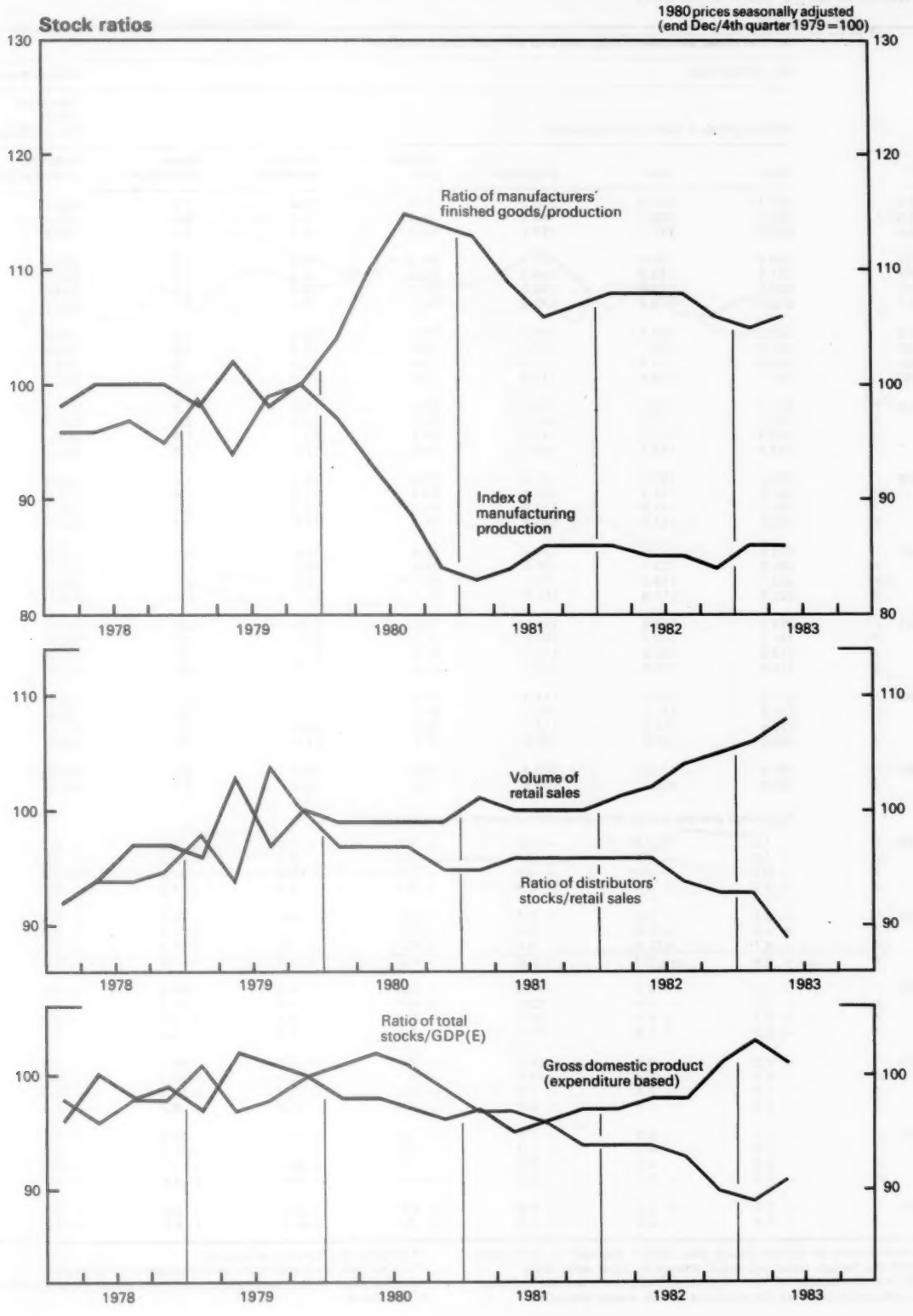
## Stock ratios

**Seasonally adjusted**

**1980 prices: stocks level, end-Dec. 1979 =100; GDP (E), industrial production and retail sales, 4th quarter 1979 =100**

| | Total stocks to gross domestic product (expenditure based) | Manufacturers' stocks to manufacturing production (revised definition) | | | | Retail[1] stocks to retail sales |
|---|---|---|---|---|---|---|
| | | Total stocks | Materials and fuel | Work in progress | Finished goods | |
| 1978 *1* | 98 | 100 | 101 | 103 | 96 | 92 |
| *2* | 96 | 98 | 99 | 100 | 96 | 94 |
| *3* | 98 | 99 | 99 | 100 | 97 | 94 |
| *4* | 98 | 99 | 100 | 102 | 95 | 95 |
| 1979 *1* | 101 | 102 | 102 | 104 | 99 | 98 |
| *2* | 97 | 98 | 99 | 100 | 94 | 94 |
| *3* | 98 | 102 | 103 | 103 | 99 | 104 |
| *4* | 100 | 100 | 100 | 100 | 100 | 100 |
| 1980 *1* | 101 | 102 | 101 | 103 | 104 | 97 |
| *2* | 102 | 106 | 104 | 106† | 110 | 97 |
| *3* | 101 | 110 | 105 | 109 | 115 | 97 |
| *4* | 99 | 111 | 107 | 112 | 114 | 95 |
| 1981 *1* | 97 | 110 | 105 | 112 | 113 | 95 |
| *2* | 97 | 107 | 101 | 110 | 109 | 96 |
| *3* | 96 | 104 | 97 | 109 | 106 | 96 |
| *4* | 94 | 104 | 96 | 109 | 107 | 96 |
| 1982 *1* | 94 | 104 | 96 | 109 | 108 | 96 |
| *2* | 94 | 105 | 97 | 110 | 108 | 96 |
| *3* | 93 | 104 | 96 | 110 | 108 | 94 |
| *4* | 90 | 103 | 94 | 109 | 107 | 93 |
| 1983 *1* | 89 | 101 | 91 | 109 | 105 | 93 |
| *2* | 91 | 101 | 90 | 108 | 106 | 89 |

[1] Classes 64–65 excluding activity headings 6510 and 6520, retail distribution of motor vehicles and parts, and filling stations.

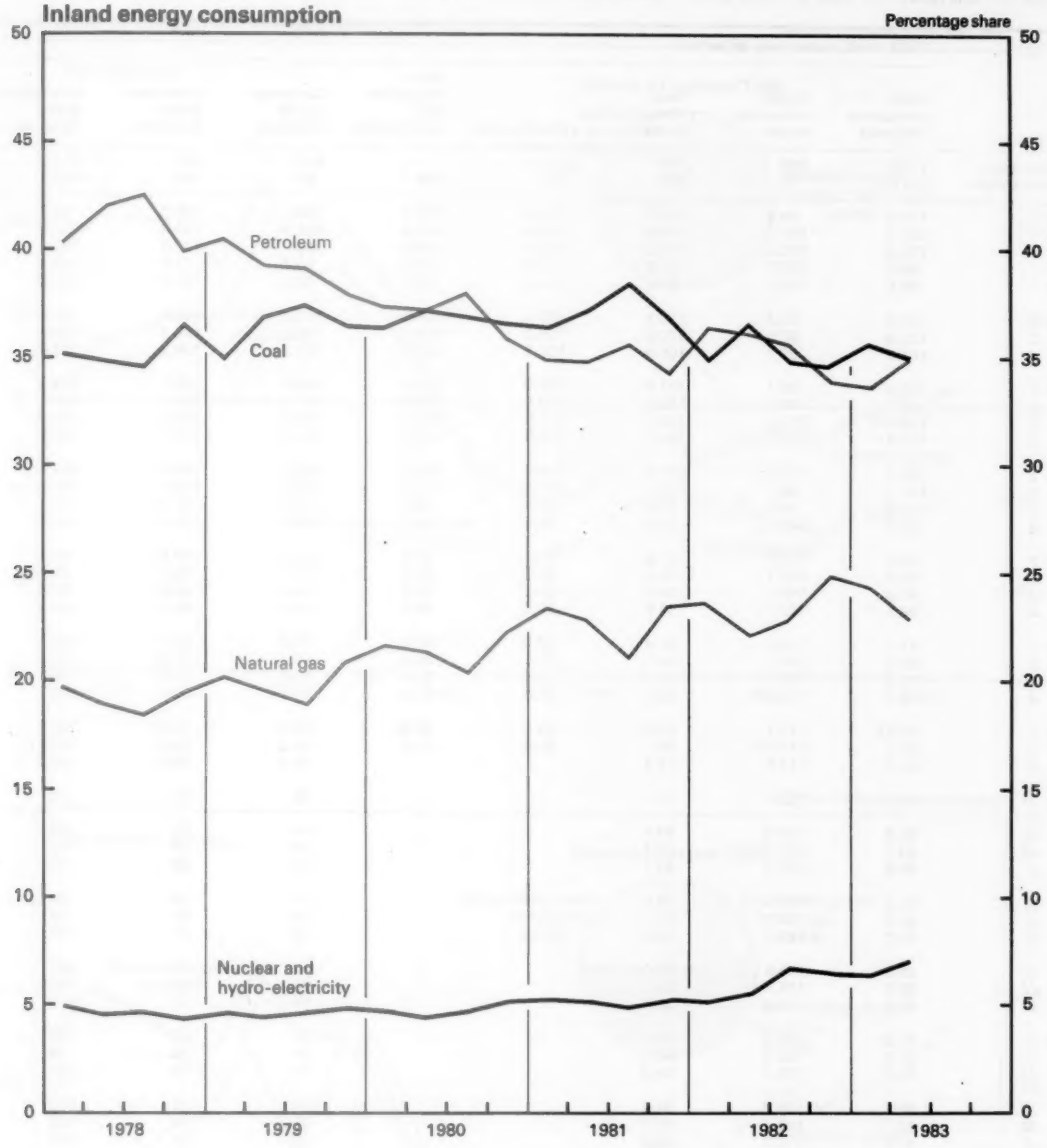

Stock ratios
1980 prices seasonally adjusted
(end Dec/4th quarter 1979 = 100)
Ratio of manufacturers' finished goods/production
Index of manufacturing production
Volume of retail sales
Ratio of distributors' stocks/retail sales
Ratio of total stocks/GDP(E)
Gross domestic product (expenditure based)
130
120
110
100
90
80
1978
1979
1980
1981
1982
1983

## Inland energy consumption

**Annual rates, seasonally adjusted and temperature corrected**

| | | Primary fuel input | | | | | | Public supply |
|---|---|---|---|---|---|---|---|---|
| | | Million tonnes of coal or coal equivalent | | | | | | Thousand million kilowatt hours |
| | | Total | Coal[1] | Petroleum[2] | Natural gas[3] | Nuclear electricity[4] | Hydro electricity[4] | Electricity available (GB)[5] |
| 1972 | | 337.4 | 121.8 | 162.2 | 41.0 | 10.6 | 1.8 | 224.1 |
| 1973 | | 354.2 | 133.2 | 164.5 | 44.4 | 10.1 | 2.0 | 241.0 |
| 1974 | | 337.9 | 117.7 | 153.1 | 52.9 | 12.1 | 2.1 | 235.5 |
| 1975 | | 326.9 | 120.6 | 137.1 | 56.3 | 10.9 | 2.0 | 234.2 |
| 1976 | | 331.5 | 123.0 | 134.2 | 59.5 | 12.9 | 1.9 | 236.7 |
| 1977 | | 338.2 | 122.4 | 136.8 | 62.7 | 14.3 | 2.0 | 240.2 |
| 1978 | | 339.1 | 119.4 | 139.2 | 65.0 | 13.4 | 2.1 | 246.3 |
| 1979 | | 349.3 | 127.2 | 137.0 | 69.1 | 13.8 | 2.2 | 255.0 |
| 1980 | | 327.2 | 120.1 | 121.2 | 70.5 | 13.4 | 2.0 | 245.9 |
| 1981 | | 315.3 | 117.5 | 110.2 | 71.6 | 13.7 | 2.3 | 239.2 |
| 1982 | | 311.7 | 109.6 | 110.8 | 72.9 | 16.0 | 2.4 | 238.4 |
| 1978 | *1* | 331.4 | 116.7 | 133.4 | 64.9 | 14.6 | 1.8 | 237.3 |
| | *2* | 341.2 | 118.7 | 142.9 | 64.2 | 13.3 | 2.1 | 248.1 |
| | *3* | 338.3 | 117.2 | 143.6 | 62.4 | 13.2 | 1.9 | 253.9 |
| | *4* | 343.4 | 125.2 | 136.7 | 66.5 | 12.5 | 2.5 | 245.7 |
| 1979 | *1* | 349.1 | 121.8 | 141.0 | 70.3 | 14.5 | 1.5 | 252.6 |
| | *2* | 355.8 | 131.3 | 139.4 | 69.4 | 13.3 | 2.4 | 257.6 |
| | *3* | 352.1 | 131.8 | 137.8 | 66.6 | 13.3 | 2.6 | 257.7 |
| | *4* | 342.1 | 124.8 | 129.8 | 71.1 | 14.0 | 2.4 | 252.0 |
| 1980 | *1* | 333.9 | 121.5 | 124.4 | 72.4 | 13.8 | 1.8 | 242.5 |
| | *2* | 328.3 | 122.1 | 122.0 | 69.9 | 12.9 | 1.4 | 248.1 |
| | *3* | 323.7 | 119.3 | 123.1 | 66.1 | 12.5 | 2.7 | 249.0 |
| | *4* | 321.2 | 117.6 | 115.4 | 71.7 | 14.2 | 2.3 | 244.1 |
| 1981 | *1* | 317.9 | 115.9 | 111.1 | 74.4 | 13.5 | 3.0 | 235.7 |
| | *2* | 311.7 | 116.1 | 108.5 | 71.1 | 14.1 | 1.9 | 238.9 |
| | *3* | 319.2 | 123.0 | 113.5 | 67.5 | 13.4 | 1.8 | 242.0 |
| | *4* | 312.9 | 115.6 | 107.4 | 73.6 | 13.8 | 2.5 | 240.3 |
| 1982 | *1* | 314.3 | 109.4 | 114.4 | 74.6 | 13.5 | 2 4 | 238.3 |
| | *2* | 305.6 | 111.4 | 110.0 | 67.5 | 14.2 | 2.5 | 235.4 |
| | *3* | 318.5 | 111.3 | 113.7 | 72.6 | 18.8 | 2.1 | 243.5 |
| | *4* | 309.5 | 107.4 | 105.0 | 77.1 | 17.4 | 2.6 | 236.3 |
| 1983 | *1* | 307.9 | 110.0 | 103.4 | 75.0 | 16.8 | 2.8 | 236.4 |
| | 2[6] | 309.9 | 108.7 | 108·5 | 70·6 | 19.4 | 2.7 | 241.7 |
| | | *Percentage change, quarter on corresponding quarter of previous year* | | | | | | |
| 1978 | *1* | *− 1.6* | *− 7.6* | *− 0.5* | *+ 6.2* | *+ 5.0* | *+12.5* | *− 0.2* |
| | *2* | *+ 1.0* | *− 2.0* | *+ 3.8* | *+ 3.6* | *− 8.3* | *−12.5* | *+ 2.1* |
| | *3* | *− 0.7* | *− 3.6* | *+ 4.0* | *− 1.6* | *−15.9* | *+11.8* | *+ 2.3* |
| | *4* | *+ 1.7* | *+ 4.0* | *− 0.4* | *+ 3 4* | *− 4.6* | *+ 4.2* | *+ 6.0* |
| 1979 | *1* | *+ 5.3* | *+ 4.4* | *+ 5.7* | *+ 8.3* | *− 0.7* | *−16.7* | *+ 6.4* |
| | *2* | *+ 4.3* | *+10.6* | *− 2.4* | *+ 8.1* | *—* | *+14.3* | *+ 3.8* |
| | *3* | *+ 4.1* | *+12.5* | *− 4 0* | *+ 6.7* | *+ 0.8* | *+36.8* | *+ 1.5* |
| | *4* | *− 0.4* | *− 0.3* | *− 5.0* | *+ 6.9* | *+12.0* | *− 4.0* | *+ 2.6* |
| 1980 | *1* | *− 4.4* | *− 0.2* | *−11.8* | *+ 3.0* | *− 4.8* | *+20.0* | *− 4.0* |
| | *2* | *− 7.7* | *− 7.0* | *−12.5* | *+ 0.7* | *− 3.0* | *−41.7* | *− 3.7* |
| | *3* | *− 8.1* | *− 9.5* | *−10.7* | *− 0.8* | *− 6.0* | *+ 3.8* | *− 3.4* |
| | *4* | *− 6.1* | *− 5.8* | *−11.1* | *+ 0.8* | *+ 1.4* | *− 4.2* | *− 3.1* |
| 1981 | *1* | *− 4.8* | *− 4.6* | *−10.7* | *+ 2.8* | *− 2.2* | *+66.7* | *− 2.8* |
| | *2* | *− 5.1* | *− 4.9* | *−11.1* | *+ 1.7* | *+ 9.3* | *+35.7* | *− 3.7* |
| | *3* | *− 1.4* | *+ 3.1* | *− 7.8* | *+ 2.1* | *+ 7.6* | *−33.3* | *− 2.8* |
| | *4* | *− 2.6* | *− 1.7* | *− 6.9* | *+ 2.6* | *− 2.8* | *+ 8.7* | *− 1.6* |
| 1982 | *1* | *− 1.1* | *− 5.6* | *+ 2.9* | *+ 0.4* | *+ 0.4* | *−20.0* | *+ 1.1* |
| | *2* | *− 1.9* | *− 4.0* | *+ 1.3* | *− 4.9* | *+ 0.4* | *+30.4* | *− 1.5* |
| | *3* | *− 0.2* | *− 9.5* | *+ 0.1* | *+ 7.6* | *+40.2* | *+14.7* | *+ 0.6* |
| | *4* | *− 1.1* | *− 7.1* | *− 2.2* | *+ 4.7* | *+25.5* | *+ 4.6* | *− 1.7* |
| 1983 | *1* | *− 2.0* | *+ 0.5* | *− 9.6* | *+ 0.5* | *+23.9* | *+18.5* | *− 0.8* |
| | *2* | *+ 1.4* | *− 2.5* | *− 1.3* | *+ 4.6* | *+36.7* | *+ 8.8* | *+ 2.7* |

[1] Consumption by fuel producers *plus* colliery disposals to final users *plus* net foreign trade and stock change in other solid fuels.
[2] Refinery throughput of crude oil *plus* net foreign trade and stock change in petroleum products *less* deliveries of non-energy products.
[3] Excluding gas flared or re-injected.
[4] Nuclear and hydro electricity are not temperature corrected.
[5] The inclusion of Northern Ireland would add about 2% to the total.
[6] Provisional.


Inland energy consumption
Percentage share
50
45
40
35
30
25
20
15
10
5
0
Petroleum
Coal
Natural gas
Nuclear and
hydro-electricity
1978
1979
1980
1981
1982
1983

## Index of output of the production and construction industries[1]

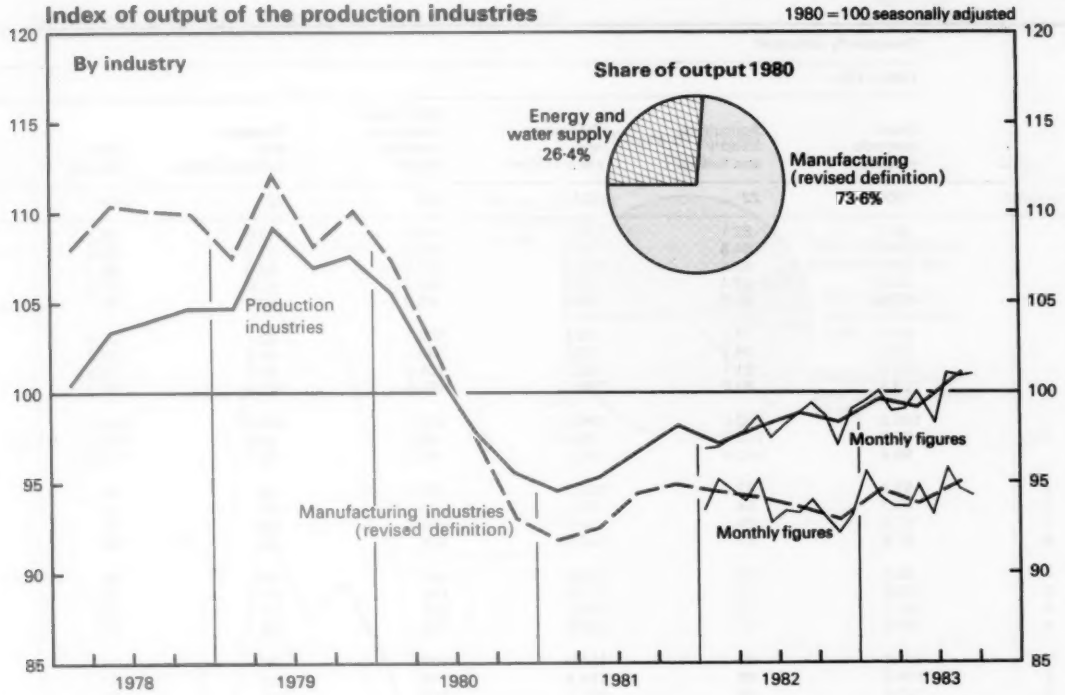
1980 =100, seasonally adjusted

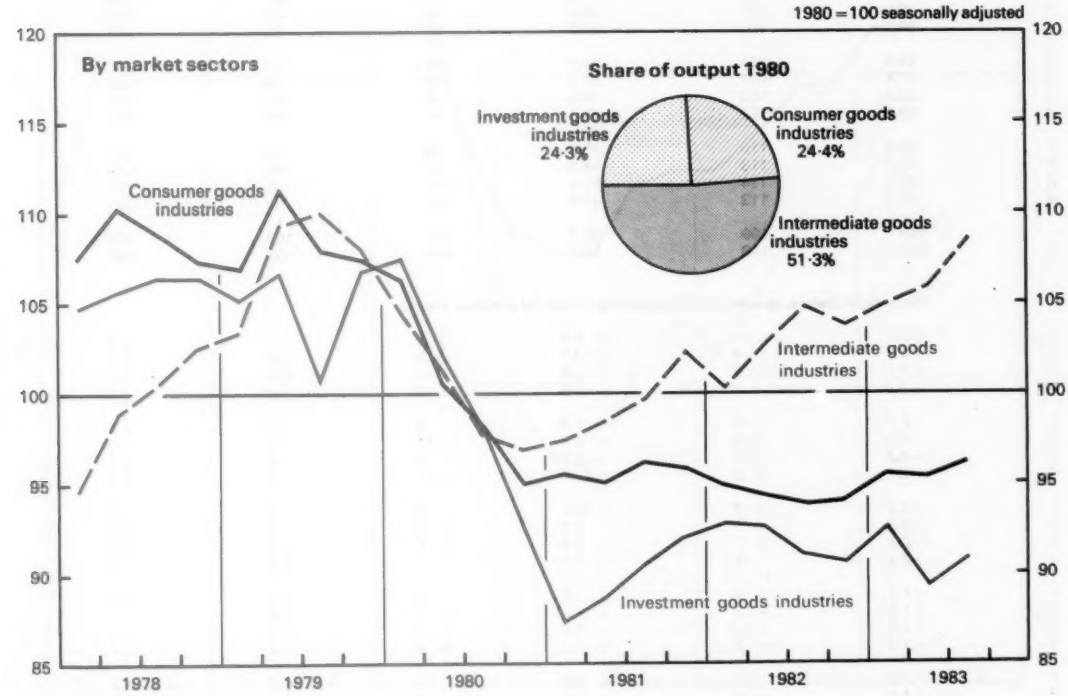
| | Total production industries | Energy and water supply | Total Manufacturing industries | Construction | Total production and construction | Consumer goods industries | Investment goods industries | Intermediate goods industries |
|---|---|---|---|---|---|---|---|---|
| *1980 weights* | 1 000 | 264 | 736 | | | 244 | 243 | 513 |
| PPT of GDP(0) | 361 | 95 | 266 | 63[2] | 424 | 88 | 88 | 185 |
| 1978 | 103.0 | 84.9 | 109.5 | 105.0 | 103·3 | 108.5 | 105.7 | 99.0 |
| 1979 | 107·0 | 100.3 | 109.4 | 105.6 | 106.8 | 108.4 | 104.8 | 107.6 |
| 1980 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1981 | 96.1 | 103.7 | 93.4 | 89.9 | 95.2 | 95.7 | 89.5 | 99.4 |
| 1982 | 98.1 | 110.1 | 93.7 | 91.4 | 97.1 | 94.3 | 91.7 | 102.8 |
| 1978 *2* | 103.3 | 83.9 | 110.3 | 107.1 | 103.9 | 110.2 | 105.6 | 98.8 |
| *3* | 103.9 | 87.0 | 110.0 | 106.2 | 104.3 | 108.9 | 106.3 | 100.4 |
| *4* | 104.6 | 90.0 | 109.9 | 104.7 | 104.6 | 107.3 | 106.3 | 102.5 |
| 1979 *1* | 104.6 | 96.7 | 107.4 | 101.0 | 104.0 | 106.9 | 105.1 | 103.3 |
| *2* | 109.1 | 100.7 | 112.1 | 107.1 | 108.8 | 111.3 | 106.6 | 109.2 |
| *3* | 106.9 | 103.8 | 108.1 | 107.6 | 107.0 | 107.9 | 100.6 | 109.9 |
| *4* | 107.5 | 100.1 | 110.1 | 106.9 | 107.4 | 107.4 | 106.7 | 107.9 |
| 1980 *1* | 105.4 | 101.0 | 107.0 | 104.7 | 105.3 | 106.2 | 107.4 | 104.3 |
| *2* | 101.3 | 98.1 | 102.4 | 101.4 | 101.3 | 100.6 | 102.1 | 101.2 |
| *3* | 97.8 | 98.5 | 97.6 | 100.4 | 98.2 | 98.2 | 97.9 | 97.7 |
| *4* | 95.5 | 102.4 | 93.0 | 93.5 | 95.2 | 95.0 | 92.6 | 96.8 |
| 1981 *1* | 94.5 | 101.8 | 91.8 | 92.4 | 94.2 | 95.6 | 87.3 | 97.3 |
| *2* | 95.2 | 102.7 | 92.4 | 89.2 | 94.3 | 95.1 | 88.6 | 98.3 |
| *3* | 96.6 | 103.1 | 94.3 | 91.3 | 95.8 | 96.2 | 90.4 | 99.6 |
| *4* | 98.1 | 107.1 | 94.8 | 86.8 | 96.4 | 95.8 | 91.9 | 102.2 |
| 1982 *1* | 97.1 | 104.5 | 94.4 | 89.0 | 95.9 | 94.8 | 92.7 | 100.2 |
| *2* | 98.0 | 109.1 | 94.1 | 90.1 | 96.8 | 94.3 | 92.5 | 102.6 |
| *3* | 98.8 | 113.4 | 93.6 | 92.8 | 97.9 | 93.8 | 91.0 | 104.7 |
| *4* | 98.3 | 113.4 | 92.9 | 93.9 | 97.6 | 94.1 | 90.6 | 103.7 |
| 1983 *1* | 99.6† | 113.7 | 94.5† | 94.2 | 98.8† | 95.5† | 92.4† | 104.9 |
| *2* | 99.1 | 114.2† | 93.7 | 91.4 | 97.9 | 95.3 | 89.2 | 105.6† |
| *3* | 101.0 | 118.0 | 94.9 | | | 96.2 | 90.8 | 108.2 |
| 1981 *M* | 95.2 | 103.8 | 92.0 | .. | .. | 95 | 88 | 99 |
| *A* | 95.8 | 103.9 | 92.8 | .. | .. | 96 | 90 | 99 |
| *M* | 93.9 | 101.5 | 91.2 | .. | .. | 94 | 87 | 97 |
| *J* | 95.8 | 102.8 | 93.3 | .. | .. | 96 | 89 | 99 |
| *J* | 96.2 | 102.5 | 94.0 | .. | .. | 97 | 90 | 99 |
| *A* | 96.5 | 103.1 | 94.1 | .. | .. | 96 | 91 | 99 |
| *S* | 97.1 | 103.5 | 94.8 | .. | .. | 96 | 91 | 100 |
| *O* | 99.3 | 108.6 | 96.0 | .. | .. | 97 | 93 | 104 |
| *N* | 98.1 | 106.2 | 95.1 | .. | .. | 96 | 92 | 102 |
| *D* | 96.8 | 106.5 | 93.4 | .. | .. | 95 | 91 | 101 |
| 1982 *J* | 96.8 | 106.0 | 93.5 | .. | .. | 94 | 92 | 100 |
| *F* | 97.0 | 102.0 | 95.2 | .. | .. | 96 | 93 | 99 |
| *M* | 97.5 | 105.4 | 94.6 | .. | .. | 95 | 93 | 101 |
| *A* | 97.8 | 108.5 | 94.0 | .. | .. | 94 | 92 | 102 |
| *M* | 98.7 | 108.2 | 95.3 | .. | .. | 95 | 94 | 103 |
| *J* | 97.5 | 110.5 | 92.8 | .. | .. | 93 | 91 | 103 |
| *J* | 98.2 | 111.5 | 93.4 | .. | .. | 94 | 91 | 104 |
| *A* | 98.8 | 114.4 | 93.3 | .. | .. | 93 | 90 | 105 |
| *S* | 99.4 | 114.2 | 94.1 | .. | .. | 94 | 92 | 105 |
| *O* | 98.7 | 114.5 | 93.1 | .. | .. | 94 | 91 | 104 |
| *N* | 97.1 | 110.7 | 92.2 | .. | .. | 93 | 90 | 102 |
| *D* | 99.1 | 115.1 | 93.3 | .. | .. | 95 | 91 | 105 |
| 1983 *J* | 99.6† | 110.5 | 95.7† | .. | .. | 97 | 93 | 104 |
| *F* | 100.1 | 116.6 | 94.2 | .. | .. | 95 | 93† | 106 |
| *M* | 99.0 | 113.9 | 93.7 | .. | .. | 95 | 91 | 105 |
| *A* | 99.1 | 114.5† | 93.6 | .. | .. | 95† | 89 | 106 |
| *M* | 99.9 | 116.1 | 94.1 | .. | .. | 96 | 90 | 107 |
| *J* | 98.2 | 112.1 | 93.2 | .. | .. | 95 | 88 | 104† |
| *J* | 101.1 | 115.7 | 95.8 | .. | .. | 97 | 93 | 107 |
| *A* | 100.9 | 118.4 | 94.6 | .. | .. | 96 | 90 | 108 |
| *S* | 101.0 | 119.8 | 94.2 | .. | .. | 96 | 89 | 109 |

[1] Revised definition: coverage differs from previous 1975-based estimates.

[2] For an index of construction output for Great Britain, see page 30.

## Index of output of the production industries

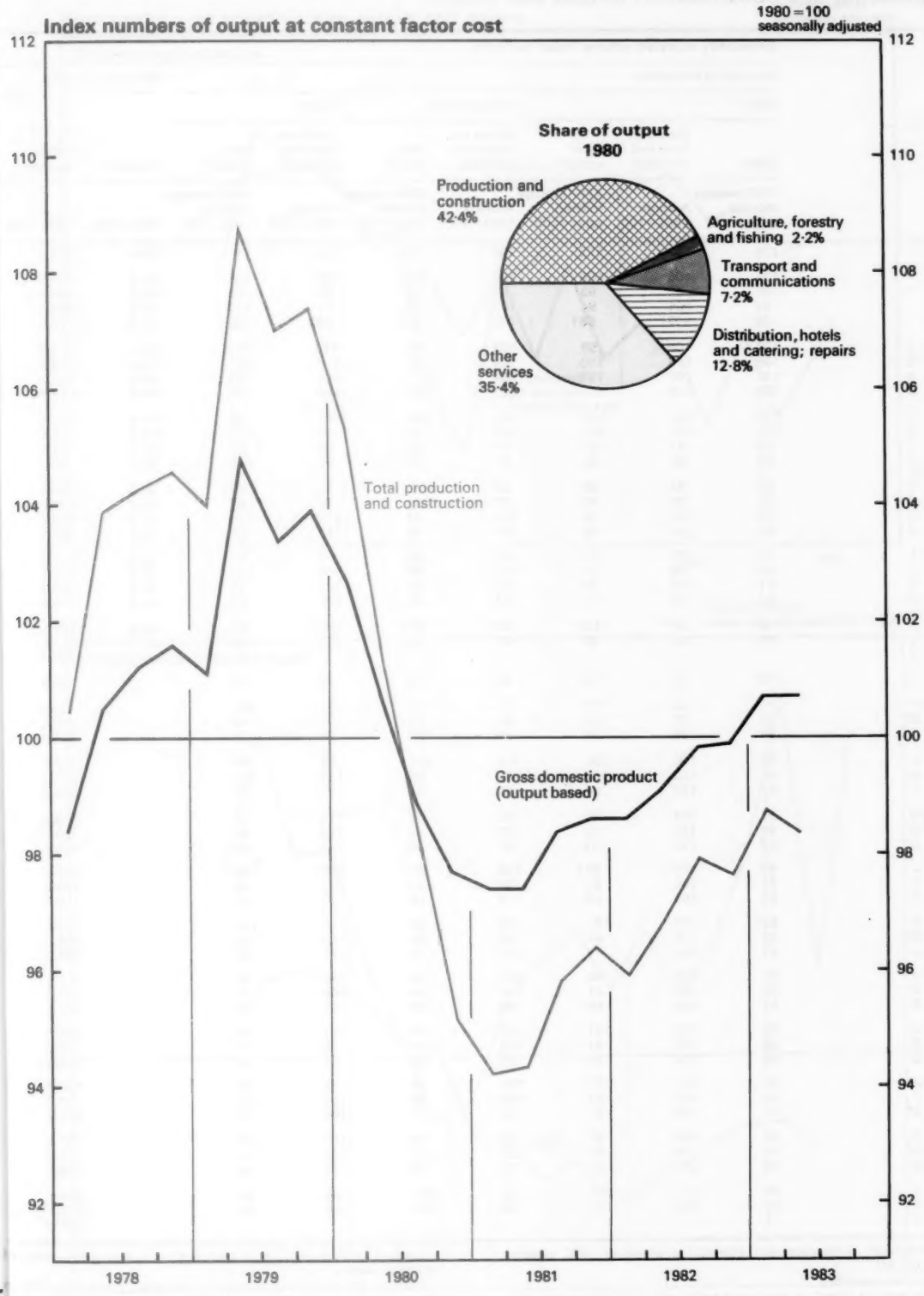


## Index numbers of output at constant factor cost

| | | Seasonally adjusted | | | | | |
|---|---|---|---|---|---|---|---|
| | | 1980 = 100 | | | | | |
| | | Gross domestic product | Agriculture, forestry and fishing | Production and construction[1] | Distribution, hotels and catering; repairs | Transport and communication | Other services |
| *1980 weights* | | *1 000* | *22* | *424* | *128* | *72* | *354* |
| 1971 | | 88.3 | 82.1 | 93.1 | 96.9 | 83.0 | 81.1 |
| 1972 | | 91.0 | 84.8 | 95.0 | 102.3 | 87.0 | 83.6 |
| 1973 | | 96.4 | 87.4 | 102.5 | 107.0 | 93.6 | 86.3 |
| 1974 | | 94.8 | 88.4 | 98.8 | 102.8 | 93.9 | 87.6 |
| 1975 | | 93.0 | 81.5 | 93.5 | 99.2 | 92.7 | 90.7 |
| 1976 | | 94.7 | 74.9 | 95.8 | 100.1 | 92.1 | 93.5 |
| 1977 | | 97.3 | 84.7 | 99.8 | 99.6 | 94.8 | 94.8 |
| 1978 | | 100.4 | 91.1 | 103.3 | 105.3 | 97.1 | 96.4 |
| 1979 | | 103.3 | 89.8 | 106.8 | 109.0 | 101.5 | 98.2 |
| 1980 | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1981 | | 97.9 | 102.5 | 95.2 | 98.1 | 98.8 | 100.7 |
| 1982 | | 99.4 | 112.5 | 97.1 | 99.3 | 99.6 | 101.3 |
| 1977 | *1* | 97.2 | 82 | 100.2 | 100 | 96 | 94 |
| | *2* | 96.7 | 84 | 99.7 | 98 | 93 | 94 |
| | *3* | 97.3 | 86 | 99.4 | 100 | 95 | 95 |
| | *4* | 97.9 | 87 | 100.0 | 101 | 95 | 96 |
| 1978 | *1* | 98.4 | 90 | 100.5 | 101 | 96 | 96 |
| | *2* | 100.5 | 92 | 103.9 | 105 | 97 | 96 |
| | *3* | 101.2 | 92 | 104.3 | 107 | 97 | 97 |
| | *4* | 101.6 | 91 | 104.6 | 108 | 99 | 97 |
| 1979 | *1* | 101.1 | 89 | 104.0 | 106 | 96 | 97 |
| | *2* | 104.8 | 88 | 108.8 | 114 | 103 | 98 |
| | *3* | 103.4 | 89 | 107.0 | 107 | 104 | 98 |
| | *4* | 103.9 | 93 | 107.4 | 109 | 103 | 99 |
| 1980 | *1* | 102.7 | 97 | 105.3 | 105 | 103 | 99 |
| | *2* | 100.7 | 100 | 101.3 | 101 | 101 | 100 |
| | *3* | 98.9 | 101 | 98.2 | 97 | 99 | 100 |
| | *4* | 97.7 | 101 | 95.2 | 97 | 98 | 101 |
| 1981 | *1* | 97.4 | 101 | 94.2 | 98 | 98 | 100 |
| | *2* | 97.4 | 101 | 94.3 | 98 | 98 | 101 |
| | *3* | 98.4 | 103 | 95.8 | 99 | 100 | 101 |
| | *4* | 98.6 | 106 | 96.4 | 97 | 100 | 101 |
| 1982 | *1* | 98.6 | 110 | 95.9 | 98 | 99 | 101 |
| | *2* | 99.1 | 113 | 96.8 | 99 | 100 | 101 |
| | *3* | 99.8 | 114 | 97.9 | 100 | 100 | 101 |
| | *4* | 99.9 | 113 | 97.6 | 101 | 99 | 102 |
| 1983 | *1* | 100.7 | 109 | 98.7 | 101 | 102 | 102 |
| | *2* | 100.7 | 108 | 98.3 | 102 | 102 | 102 |
| | | *Percentage change, quarter on corresponding quarter of previous year* | | | | | |
| 1979 | *1* | +2.7 | — | + 3.5 | + 5 | — | +2 |
| | *2* | +4.3 | − 4 | + 4.7 | + 9 | +6 | +2 |
| | *3* | +2.1 | − 3 | + 2.6 | — | +8 | +2 |
| | *4* | +2.2 | + 2 | + 2.6 | + 1 | +4 | +2 |
| 1980 | *1* | +1.7 | + 9 | + 1.2 | − 2 | +7 | +2 |
| | *2* | −3.9 | +14 | − 6.9 | −11 | −2 | +2 |
| | *3* | −4.3 | +14 | − 8.3 | − 9 | −5 | +2 |
| | *4* | −6.0 | + 9 | −11.4 | −11 | −5 | +2 |
| 1981 | *1* | −5.2 | + 3 | −10.6 | − 6 | −4 | +1 |
| | *2* | −3.3 | + 1 | − 6.9 | − 3 | −3 | +1 |
| | *3* | −0.6 | + 1 | − 2.4 | + 1 | +1 | +1 |
| | *4* | +0.9 | + 5 | + 1.3 | — | +2 | — |
| 1982 | *1* | +1.2 | + 9 | + 1.8 | — | +1 | +1 |
| | *2* | +1.8 | +12 | + 2.7 | + 1 | +3 | — |
| | *3* | +1.5 | +11 | + 2.2 | + 2 | — | — |
| | *4* | +1.4 | + 7 | + 1.3 | + 4 | −1 | +1 |
| 1983 | *1* | +2.2 | — | + 3.0 | + 3 | +3 | +1 |
| | *2* | +1.6 | − 4 | + 1.6 | + 4 | +2 | +1 |

[1] Revised definition, comprising Divisions 1–5 of the 1980 Standard Industrial Classification. Any differences between this column and the data on page 26 arise because the latter may be based on more recent information.


Index numbers of output at constant factor cost
1980 = 100
seasonally adjusted
112
110
108
106
104
102
100
98
96
94
92
Share of output
1980
Production and construction 42·4%
Agriculture, forestry and fishing 2·2%
Transport and communications 7·2%
Distribution, hotels and catering; repairs 12·8%
Other services 35·4%
Total production and construction
Gross domestic product (output based)
1978
1979
1980
1981
1982
1983

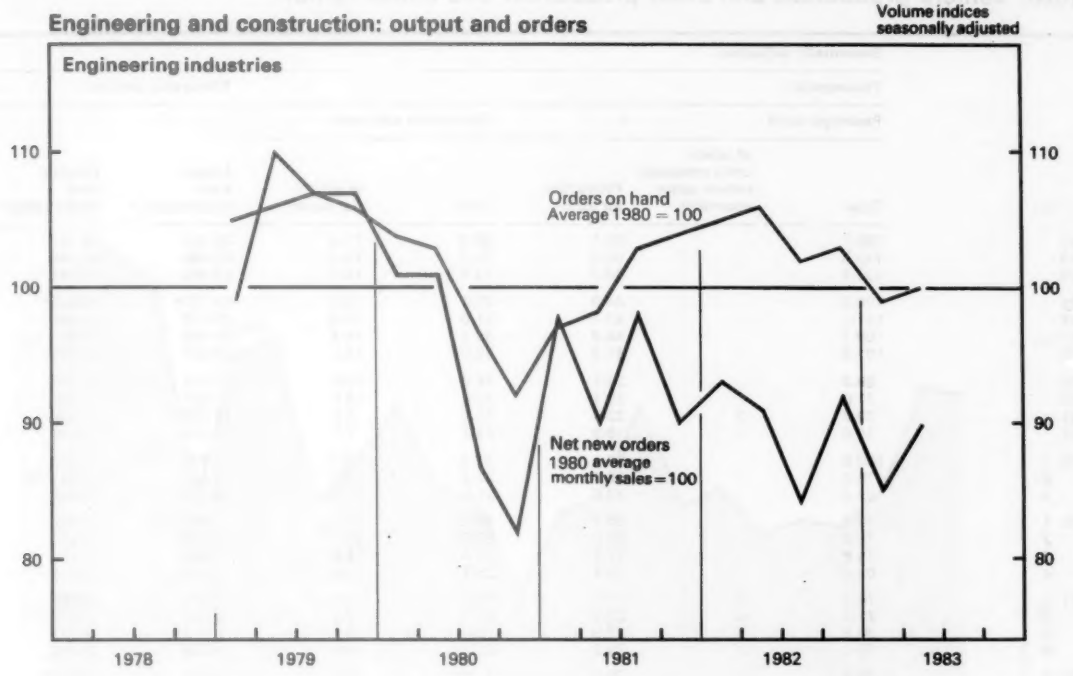
## Engineering and construction: output and orders

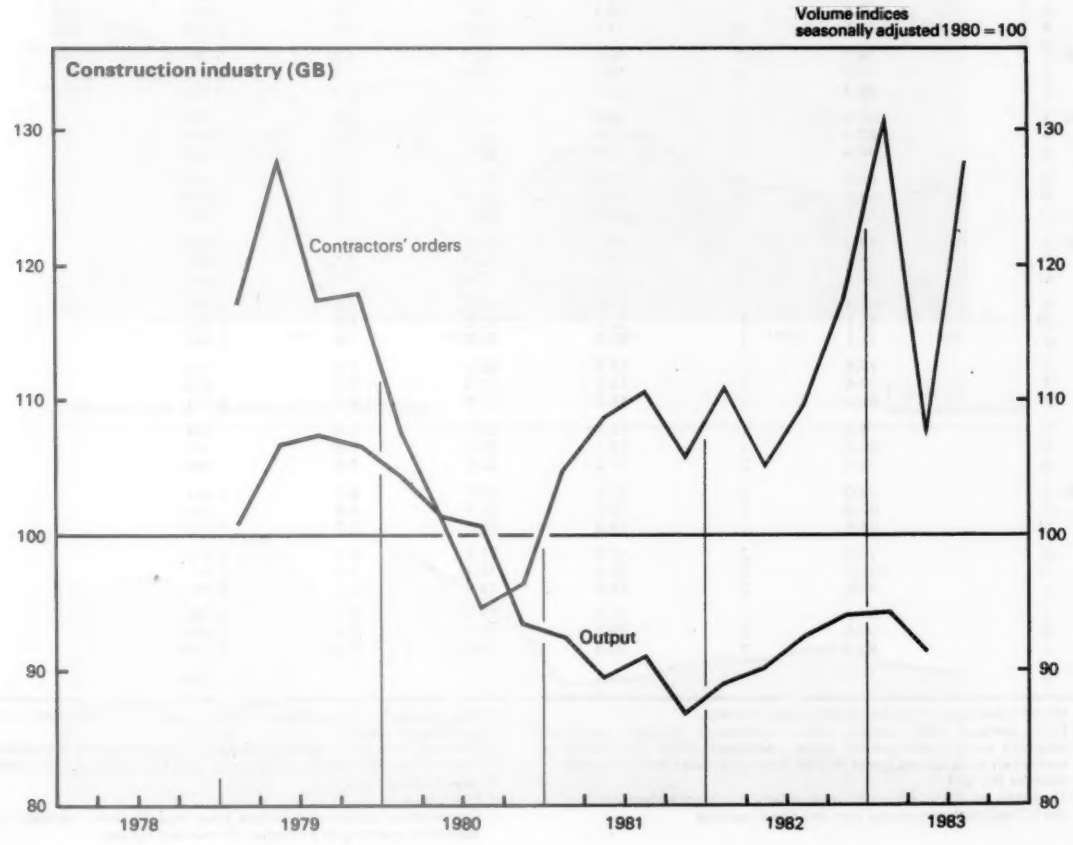
**Seasonally adjusted volume index numbers**

| | | Engineering industries[1] | | | | | | | Construction (GB) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Total | | | Home market | | Export | | | |
| | | Sales | Orders on hand end of period | New orders[2] | Orders on hand end of period | New orders[2] | Orders on hand end of period | New orders[2] | Output[3,4] | Orders received |
| | | 1980 average monthly sales =100 | Average 1980 =100 | 1980 average monthly sales =100 | Average 1980 =100 | 1980 average monthly sales =100 | Average 1980 =100 | 1980 average monthly sales =100 | 1980 =100 | 1980 =100 |
| 1978 | | 106 | 107 | 112 | 105 | 112 | 111 | 111 | 104.8 | 131.9 |
| 1979 | | 106 | 106 | 106 | 107 | 107 | 105 | 101 | 105.5 | 120.1 |
| 1980 | | 100 | 92 | 93 | 91 | 92 | 97 | 96 | 100.0 | 100.0 |
| 1981 | | 89 | 104 | 94 | 103† | 93 | 111 | 100 | 90.0 | 107.5 |
| 1982 | | 90 | 102† | 88† | 103 | 89† | 99† | 85 | 91.5 | 110.9 |
| 1979 | *1* | 102 | 105 | 99 | 103 | 98 | 112 | 102 | 100.9 | 117.2 |
| | *2* | 109 | 106 | 110 | 104 | 111 | 110 | 107 | 106.8 | 127.8 |
| | *3* | 103 | 107 | 107 | 107 | 111 | 107 | 93 | 107.4 | 117.3 |
| | *4* | 108 | 106 | 107 | 107 | 108 | 105 | 103 | 106.8 | 117.9 |
| 1980 | *1* | 106 | 104 | 101 | 105 | 102 | 102 | 98 | 104.5 | 107.8 |
| | *2* | 102 | 103 | 101 | 102 | 98 | 105 | 110 | 101.4 | 101.4 |
| | *3* | 99 | 97 | 87 | 97 | 89 | 98 | 82 | 100.7 | 94.5 |
| | *4* | 93 | 92 | 82 | 91 | 79 | 97 | 93 | 93.5 | 96.3 |
| 1981 | *1* | 88 | 97 | 98 | 97 | 100 | 99 | 94 | 92.5 | 104.8 |
| | *2* | 89 | 98 | 90 | 98 | 91 | 98 | 89 | 89.3 | 108.7 |
| | *3* | 89 | 103 | 98 | 100 | 91 | 111 | 121 | 91.1 | 110.7 |
| | *4* | 89 | 104 | 90 | 101 | 89 | 111 | 95 | 86.9 | 105.9 |
| 1982 | *1* | 90 | 105 | 93 | 103 | 95 | 109 | 87 | 89.1 | 110.9 |
| | *2* | 90 | 106 | 91 | 103 | 89 | 113 | 100 | 90.2 | 105.1 |
| | *3* | 91 | 102 | 84 | 102 | 88 | 103 | 71 | 92.6 | 109.8 |
| | *4* | 89 | 103 | 92 | 104 | 95 | 101 | 82 | 94.0 | 118.0 |
| 1983 | *1* | 90† | 99† | 85† | 98† | 81† | 103† | 99 | 94.2 | 131.1 |
| | *2* | 89 | 100 | 90 | 97 | 88 | 108 | 98 | 91.3[5] | 117.4 |
| | *3* | | | | | | | | | 127.7[5] |
| 1981 | *M* | 89 | 97 | 115 | 97 | 120 | 99 | 98 | .. | 95.5 |
| | *A* | 91 | 98 | 94 | 97 | 91 | 101 | 105 | .. | 92.7 |
| | *M* | 87 | 97 | 83 | 96 | 82 | 101 | 86 | .. | 108.4 |
| | *J* | 90 | 98 | 94 | 98 | 100 | 98 | 75 | .. | 124.9 |
| | *J* | 88 | 100 | 100 | 101 | 101 | 99 | 97 | .. | 114.2 |
| | *A* | 90 | 102 | 100 | 99 | 80 | 109 | 164 | .. | 117.6 |
| | *S* | 88 | 103 | 94 | 100 | 92 | 111 | 102 | .. | 100.2 |
| | *O* | 91 | 104 | 96 | 100 | 92 | 113 | 109 | .. | 109.4 |
| | *N* | 89 | 103 | 82 | 99 | 80 | 112 | 86 | .. | 108.3 |
| | *D* | 87 | 104 | 93 | 101 | 94 | 111 | 90 | .. | 100.1 |
| 1982 | *J* | 89 | 105† | 91† | 105 | 91† | 109† | 89† | .. | 109.6 |
| | *F* | 91 | 105 | 89 | 104† | 92 | 107 | 79 | .. | 106.3 |
| | *M* | 89 | 103 | 80 | 103 | 76 | 107 | 91 | .. | 116.7 |
| | *A* | 88† | 105 | 101 | 103 | 98 | 110 | 109 | .. | 102.3 |
| | *M* | 93 | 105 | 97 | 105 | 95 | 110 | 102 | .. | 105.5 |
| | *J* | 87 | 104 | 77 | 101 | 74 | 111 | 88 | .. | 107.6 |
| | *J* | 91 | 103 | 86 | 101 | 88 | 111 | 81 | .. | 111.0 |
| | *A* | 90 | 101 | 81 | 100 | 84 | 106 | 70 | .. | 97.3 |
| | *S* | 92 | 100 | 86 | 100 | 93 | 101 | 63 | .. | 121.0 |
| | *O* | 90 | 102 | 101 | 102 | 105 | 101 | 87 | .. | 105.0 |
| | *N* | 88 | 101 | 83 | 103 | 85 | 99 | 77 | .. | 116.3 |
| | *D* | 89 | 102 | 94 | 103 | 97 | 99 | 84 | .. | 132.6 |
| 1983 | *J* | 92 | 100 | 79 | 101 | 78 | 98 | 83 | .. | 134.9 |
| | *F* | 90 | 100 | 94 | 100 | 86 | 102 | 121 | .. | 121.6 |
| | *M* | 87 | 99 | 81 | 98 | 77 | 103 | 92 | .. | 136.9 |
| | *A* | 90 | 100 | 95 | 97 | 85 | 108 | 126 | .. | 131.5 |
| | *M* | 91 | 100 | 91 | 97 | 92 | 108 | 86 | .. | 116.6 |
| | *J* | 86 | 100 | 85 | 97 | 86 | 108 | 87 | .. | 104.2 |
| | *J* | 95 | 101 | 101 | 99 | 106 | 108 | 87 | .. | 140.7 |
| | *A* | 89 | 100 | 81 | 98 | 85 | 105 | 69 | .. | 115.7[5] |
| | *S* | | | | | | | | | 126.5[5] |

[1] Mechanical, instrument and electrical engineering (SIC classes 32, 37, 34)
[2] Net of cancellations.
[3] This index is based on an output series which includes repair and maintenance estimates, unrecorded output by small firms and self-employed workers and output by the direct labour departments o the public sector.
[4] Details of the method of deflation to constant prices are given i *Economic Trends*, No. 297, July 1978.
[5] Provisional.

## Engineering and construction: output and orders

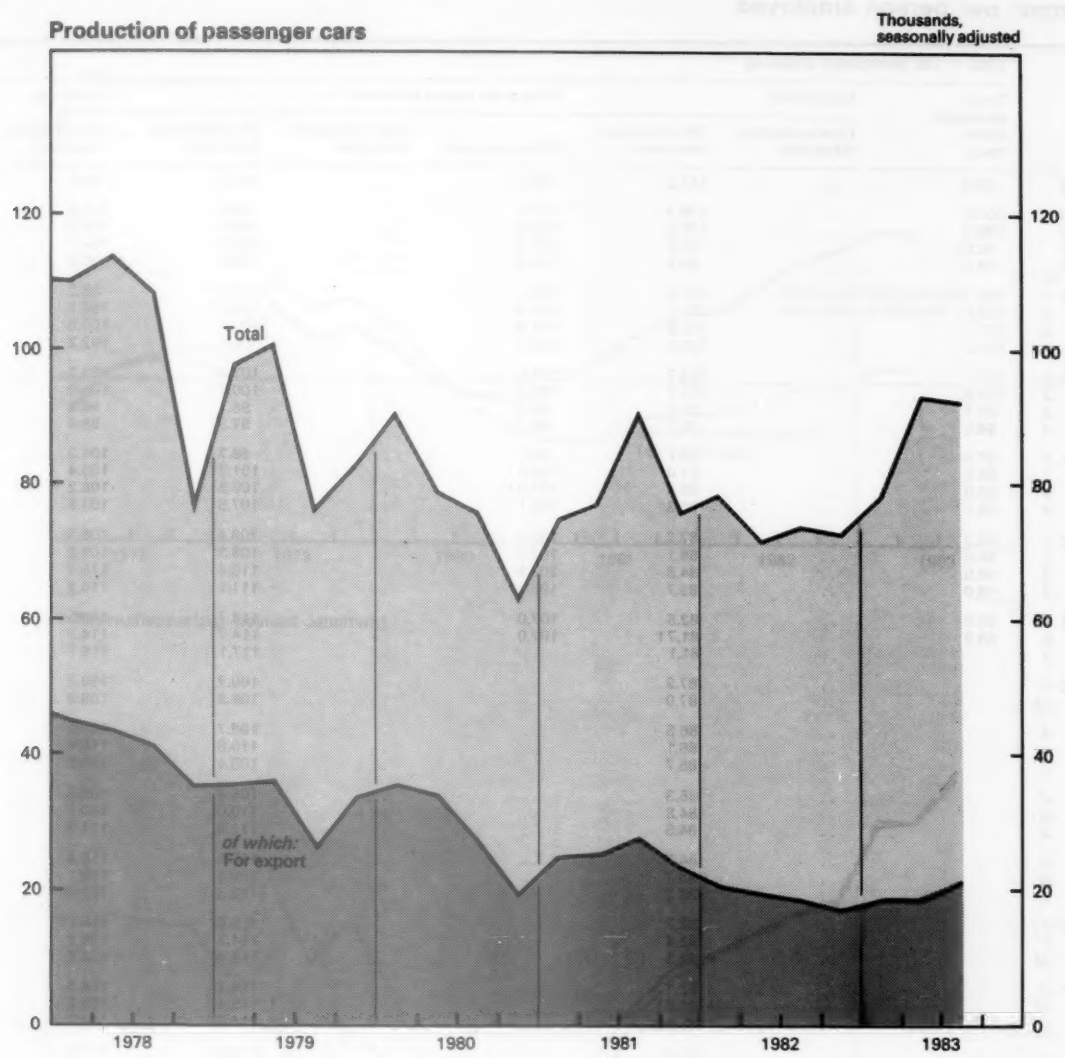


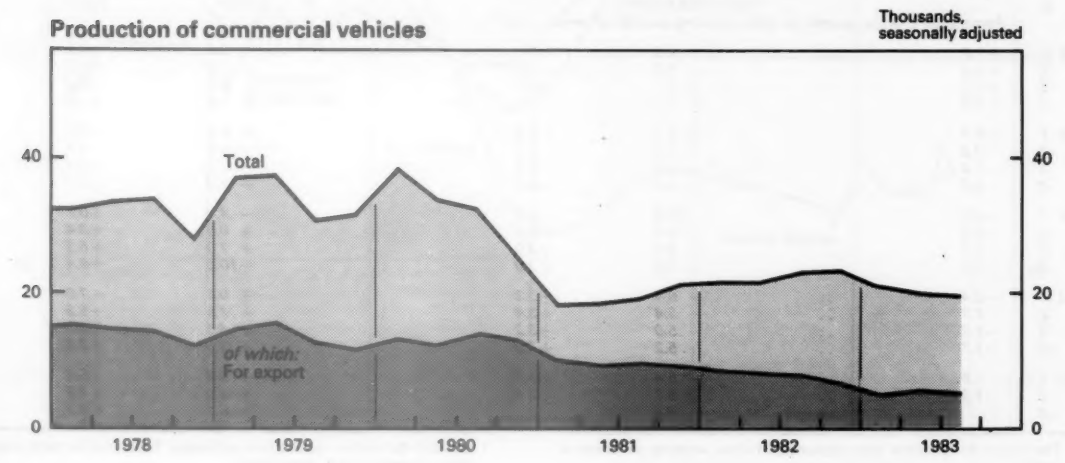



## Motor vehicle production and steel production and consumption

| | Seasonally adjusted | | | | | | |
|---|---|---|---|---|---|---|---|
| | Thousands[1] | | | | | Thousand tonnes | |
| | Passenger cars§ | | | Commercial vehicles§ | | | |
| | Total | *of which* Units previously shown under assembly[2] | Production for export | Total | *of which:* For export | Crude steel production[3], [4] | Finished steel consumption[3] |
| 1972 | 160·1 | .. | 51·1 | 34·0 | 11·3 | 25 351 | 16 750 |
| 1973 | 145·6 | .. | 50·4 | 34·7 | 13·3 | 26 684 | 18 445 |
| 1974 | 127·8 | .. | 49·7 | 33·5 | 14·2 | 22 362 | 17 548 |
| 1975 | 105·6 | .. | 44·3 | 31·7 | 15·5 | 19 737[5] | 15 446[6] |
| 1976 | 111·1 | .. | 47·1 | 31·0 | 15·8 | 22 236 | 15 804 |
| 1977 | 109·7 | .. | 46·9 | 33·2 | 16·4 | 20 385 | 15 300 |
| 1978 | 101·9 | .. | 41·2 | 32·0 | 14·1 | 20 237 | 15 720† |
| 1979 | 89·2 | .. | 32·7 | 34·0 | 13·5 | 21 412 | 15 480 |
| 1980 | 77·0 | .. | 29·1 | 32·4 | 13·0 | 11 387 | 12 800 |
| 1981 | 79·5 | 3 | 25·4 | 19·1 | 9·5 | 15 308[5] | 12 440 |
| 1982 | 74·0 | 1 | 18·9 | 22·4 | 7·7 | 13 704 | 12 300 |
| 1979 *2* | 100·8 | .. | 36·1 | 37·3 | 15·7 | 5 720 | 3 900 |
| *3* | 75·8 | .. | 26·1 | 30·4 | 12·3 | 5 485 | 3 693 |
| *4* | 82·6 | .. | 33·5 | 31·6 | 11·5 | 5 252 | 3 918 |
| 1980 *1* | 90·9 | .. | 35·7 | 38·2 | 13·1 | 764 | 3 062 |
| *2* | 78·6 | .. | 34·0 | 33·8 | 12·1 | 4 098 | 3 447 |
| *3* | 75·8 | .. | 27·5 | 32·4 | 14·0 | 3 498 | 3 120 |
| *4* | 62·6 | .. | 19·2 | 25·3 | 12·9 | 3 027 | 3 014 |
| 1981 *1* | 74·7 | 3 | 25·0 | 18·1 | 9·9 | 3 585 | 2 936 |
| *2* | 77·0 | 4 | 25·3 | 18·3 | 9·3 | 3 892 | 2 979 |
| *3* | 90·8 | 2 | 27·9 | 19·1 | 9·6 | 3 813[6] | 3 227 |
| *4* | 75·5 | 2 | 23·3 | 21·2 | 9·4 | 4 018 | 3 088 |
| 1982 *1* | 78·3 | 1 | 20·4 | 21·6 | 8·4 | 4 030 | 3 230† |
| *2* | 71·5 | 1 | 19·5 | 21·6 | 8·1 | 3 840 | 3 230 |
| *3* | 73·8 | 1 | 18·4 | 23·1 | 7·9 | 3 054 | 2 950 |
| *4* | 72·5 | 2 | 17·1 | 23·4 | 6·4 | 2 720 | 2 870 |
| 1983 *1* | 78·0 | 2 | 18·6 | 20·9 | 4·9 | 3 768 | 2 843 |
| *2* | 93·1 | 2 | 18·5 | 19·9 | 5·5 | 3 813 | 2 951 |
| *3* | 92·2 | 1 | 21·1 | 19·5 | 5·2 | 3 686[8] | 2 810[8] |
| 1981 *J* | 95·5 | 2 | 26·9 | 19·6 | 9·6 | 1 650[7] | .. |
| *A* | 82·4 | 2 | 23·4 | 17·3 | 9·7 | 1 013 | .. |
| *S* | 94·6 | 2 | 33·5 | 20·5 | 9·6 | 1 443[7] | |
| *O* | 85·8 | 1 | 27·0 | 20·5 | 9·3 | 1 263 | .. |
| *N* | 58·6 | 3 | 18·0 | 20·8 | 9·3 | 1 298 | .. |
| *D* | 82·1 | 2 | 25·0 | 22·3 | 9·5 | 1 457[7] | .. |
| 1982 *J* | 72·0 | 1 | 19·5 | 19·6 | 8·7 | 1 138 | .. |
| *F* | 79·6 | 2 | 21·5 | 22·3 | 8·1 | 1 310 | .. |
| *M* | 83·4 | 1 | 20·3 | 22·9 | 8·4 | 1 583[7] | .. |
| *A* | 61·4 | 2 | 19·2 | 21·4 | 8·4 | 1 201 | .. |
| *M* | 82·1 | 1 | 22·2 | 22·5 | 8·5 | 1 259 | .. |
| *J* | 71·1 | 1 | 17·0 | 20·8 | 7·5 | 1 380[7] | .. |
| *J* | 77·5 | 1 | 19·5 | 22·0 | 7·9 | 1 044 | .. |
| *A* | 77·4 | 1 | 19·3 | 21·8 | 7·5 | 909 | .. |
| *S* | 66·4 | 1 | 16·3 | 25·6 | 8·4 | 1 101[7] | .. |
| *O* | 75·0 | 1 | 18·1 | 23·3 | 6·4 | 864 | .. |
| *N* | 66·4 | 2 | 16·1 | 24·2 | 7·0 | 892 | .. |
| *D* | 76·2 | 2 | 17·2 | 22·7 | 5·8 | 964[7] | .. |
| 1983 *J* | 67·0 | 2 | 17·9 | 20·7 | 4·2 | 1 051 | .. |
| *F* | 82·3 | 2 | 18·0 | 21·1 | 4·8 | 1 205 | .. |
| *M* | 84·6 | 2 | 19·9 | 20·8 | 5·7 | 1 512[7] | .. |
| *A* | 75·5 | 2 | 17·2 | 21·2 | 5·2 | 1 116 | .. |
| *M* | 105·9 | 2 | 22·0 | 19·7 | 5·0 | 1 241 | .. |
| *J* | 97·8 | 2 | 16·4 | 18·7 | 6·3 | 1 456 | .. |
| *J* | 96·3 | 1 | 17·1 | 19·0 | 5·5 | 1 094 | .. |
| *A* | 96·5 | 1 | 25·8 | 19·7 | 5·1 | 1 339[7] | .. |
| *S* | 83·7 | 1 | 20·5 | 19·9 | 5·1 | 1 254[8] | .. |
| *O* | | | | | | 1 127[8] | .. |

[1] Monthly averages or standardised calendar months.
[2] From January 1981, certain models previously recorded under assembly were re-categorised under production. These are almost exclusively built for the home market. Further details are in Business Monitor PM 381.
[3] The totals are for 'usable steel' in accordance with the system used by the EC and the International Iron and Steel Institute.
[4] The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
[5] 53-week period; reduced to 52-week basis for comparison purposes.
[6] 14-week period; reduced to 13-week basis for comparison purposes.
[7] Five-week periods.
[8] Provisional.
[9] The seasonal adjustment factors have recently been revised, consequently resulting in a number of amended figures.


Production of passenger cars
Thousands, seasonally adjusted
120
100
80
60
40
20
0
Total
of which:
For export
1978
1979
1980
1981
1982
1983


Production of commercial vehicles
Thousands, seasonally adjusted
40
20
0
Total
of which:
For export
1978
1979
1980
1981
1982
1983

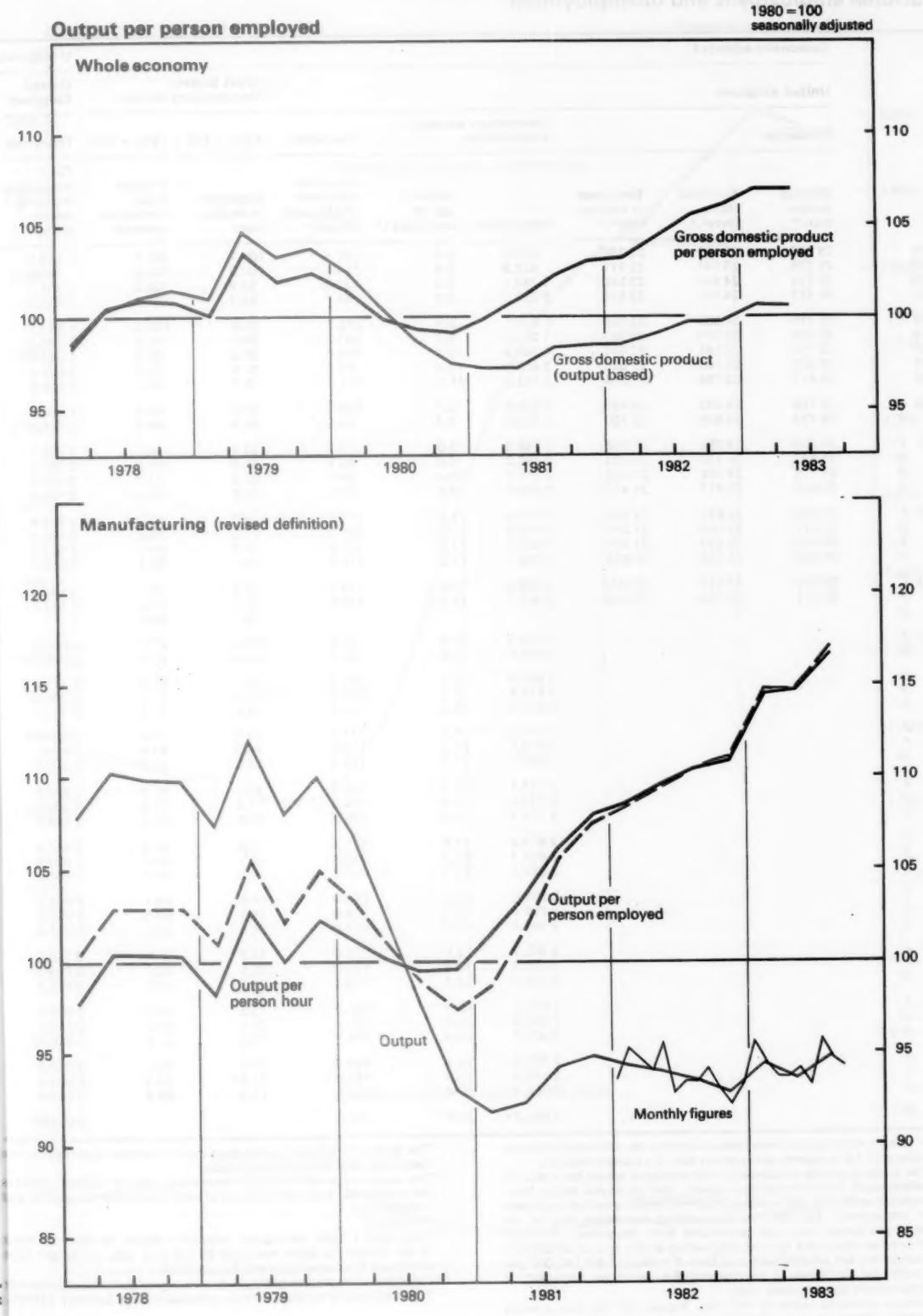
## Output per person employed

1980 = 100, seasonally adjusted

| | Employment | | | Output per person employed[1] | | | |
|---|---|---|---|---|---|---|---|
| | Total employed labour force | Total production industries[2] | Manufacturing industries[2] | Whole economy | Total production industries[2] | Manufacturing industries[2] | Output per hour in manufacturing industries[2] |
| 1978 | 99.9 | .. | 107.2 | 100.2 | .. | 102.3 | 99.7 |
| 1979 | 101.0 | .. | 105.9 | 102.0 | .. | 103.4 | 100.8 |
| 1980 | 100.0 | .. | 100.0 | 100.0 | .. | 100.0 | 100.0 |
| 1981 | 96.5† | .. | 90.4 | 101.6 | .. | 103.4 | 104.7 |
| 1982 | 94.7 | .. | 85.5 | 104.8 | .. | 109.8 | 109.8 |
| 1979 *1* | 100.7 | .. | 106.5 | 100.1 | .. | 100.9 | 98.2 |
| *2* | 100.9 | .. | 106.2 | 103.5 | .. | 105.6 | 102.7 |
| *3* | 101.1 | .. | 105.9 | 101.9 | .. | 102.1 | 100.0 |
| *4* | 101.2 | .. | 105.0 | 102.4 | .. | 104.9 | 102.2 |
| 1980 *1* | 101.1 | .. | 103.7 | 101.5 | .. | 103.3 | 101.2 |
| *2* | 100.6 | .. | 101.7 | 100.0 | .. | 100.7† | 100.0 |
| *3* | 99.7 | .. | 98.9 | 99.3 | .. | 98.7 | 99.4 |
| *4* | 98.6 | .. | 95.7 | 99.2 | .. | 97.3 | 99.5 |
| 1981 *1* | 97.6 | .. | 93.1 | 99.9 | .. | 98.7 | 101.3 |
| *2* | 96.6 | .. | 91.0 | 100.9 | .. | 101.7 | 103.4 |
| *3* | 96.0 | .. | 89.4 | 102.3† | .. | 105.6 | 106.2 |
| *4* | 95.6 | .. | 88.3 | 103.1 | .. | 107.5 | 107.8 |
| 1982 *1* | 95.3 | .. | 87.2 | 103.2 | .. | 108.4 | 108.5 |
| *2* | 95.0 | .. | 86.1 | 104.3 | .. | 109.3 | 109.5 |
| *3* | 94.5 | .. | 84.9 | 105.6 | .. | 110.4 | 110.4 |
| *4* | 94.0 | .. | 83.7 | 106.1 | .. | 111.1 | 110.8 |
| 1983 *1* | 93.9 | .. | 82.5 | 107.0 | .. | 114.7 | 114.5† |
| *2* | 93.9 | .. | 81.7† | 107.0 | .. | 114.7 | 114.7 |
| *3* | .. | .. | 81.1 | .. | .. | 117.1 | 116.7 |
| 1982 *F* | .. | .. | 87.2 | .. | .. | 109.2 | 109.2 |
| *M* | .. | .. | 87.0 | .. | .. | 108.9 | 108.9 |
| *A* | .. | .. | 86.5 | .. | .. | 108.7 | 109.0 |
| *M* | .. | .. | 86.1 | .. | .. | 110.8 | 110.8 |
| *J* | .. | .. | 85.7 | .. | .. | 108.4 | 108.6 |
| *J* | .. | .. | 85.3 | .. | .. | 109.6 | 109.8 |
| *A* | .. | .. | 84.8 | .. | .. | 110.0 | 110.1 |
| *S* | .. | .. | 84.5 | .. | .. | 111.5 | 111.3 |
| *O* | .. | .. | 84.2 | .. | .. | 110.6 | 110.4 |
| *N* | .. | .. | 83.7 | .. | .. | 110.3 | 110.1 |
| *D* | .. | .. | 83.2 | .. | .. | 112.3 | 112.0 |
| 1983 *J* | .. | .. | 82.7 | .. | .. | 115.8† | 115.7† |
| *F* | .. | .. | 82.4 | .. | .. | 114.3 | 114.2 |
| *M* | .. | .. | 82.3 | .. | .. | 113.9 | 113.7 |
| *A* | .. | .. | 82.1 | .. | .. | 114.2 | 114.3 |
| *M* | .. | .. | 81.6† | .. | .. | 115.4 | 115.2 |
| *J* | .. | .. | 81.4 | .. | .. | 114.6 | 114.7 |
| *J* | .. | .. | 81.2 | .. | .. | 118.1 | 117.9 |
| *A* | .. | .. | 81.2 | .. | .. | 116.7 | 116.4 |
| *S* | .. | .. | 81.0 | .. | .. | 116.4 | 115.7 |
| | *Percentage change, quarter on corresponding quarter of previous year* | | | | | | |
| 1979 *1* | *+1.2* | .. | *− 1.0* | *+1.5* | .. | *+ 0.6* | *+0.5* |
| *2* | *+1.2* | .. | *− 1.0* | *+3.0* | .. | *+ 2.7* | *+2.3* |
| *3* | *+1.2* | .. | *− 1.1* | *+1.0* | .. | *− 0.7* | *−0.4* |
| *4* | *+0.8* | .. | *− 1.7* | *+1.6* | .. | *+ 1.9* | *+1.9* |
| 1980 *1* | *+0.4* | .. | *− 2.7* | *+1.4* | .. | *+ 2.3* | *+3.1* |
| *2* | *−0.3* | .. | *− 4.2* | *−3.4* | .. | *− 4.6* | *−2.7* |
| *3* | *−1.4* | .. | *− 6.6* | *−2.6* | .. | *− 3.3* | *−0.6* |
| *4* | *−2.6* | .. | *− 8.9* | *−3.1* | .. | *− 7.3* | *−2.7* |
| 1981 *1* | *−3.5* | .. | *−10.2* | *−1.6* | .. | *− 4.4* | *+0.1* |
| *2* | *−4.0* | .. | *−10.6* | *+0.9* | .. | *+ 0.9* | *+3.4* |
| *3* | *−3.7* | .. | *− 9.6* | *+3.0* | .. | *+ 7.0* | *+6.9* |
| *4* | *−3.0* | .. | *− 7.8* | *+3.9* | .. | *+10.5* | *+8.4* |
| 1982 *1* | *−2.4* | .. | *− 6.4* | *+3.3* | .. | *+ 9.8* | *+7.0* |
| *2* | *−1.7* | .. | *− 5.4* | *+3.4* | .. | *+ 7.5* | *+5.9* |
| *3* | *−1.6* | .. | *− 5.0* | *+3.2* | .. | *+ 4.5* | *+3.9* |
| *4* | *−1.7* | .. | *− 5.2* | *+2.9* | .. | *+ 3.3* | *+2.8* |
| 1983 *1* | *−1.5* | .. | *− 5.4* | *+3.7* | .. | *+ 5.8* | *+5.6* |
| *2* | *−1.2* | .. | *− 5.1* | *+2.6* | .. | *+ 5.0* | *+4.8* |
| *3* | .. | .. | *− 4.4* | .. | .. | *+ 6.1* | *+5.7* |

[1] The ratios do not take into account part-time working or hours of work.

[2] Revised definition – provisional estimates. Estimates for total production industries are in preparation.


Output per person employed
1980 = 100
seasonally adjusted
Whole economy
110
105
100
95
Gross domestic product
per person employed
Gross domestic product
(output based)
1978
1979
1980
1981
1982
1983
Manufacturing (revised definition)
120
115
110
105
100
95
90
85
Output per
person employed
Output per
person hour
Output
Monthly figures

## National employment and unemployment[1]

| | Seasonally adjusted | | | | | | | | Unadjusted |
|---|---|---|---|---|---|---|---|---|---|
| | United Kingdom | | | | | | Great Britain Manufacturing industry | | United Kingdom |
| | Thousands | | | Unemployed excluding school leavers | | Thousands | 1975 = 100 | 1975 = 100 | Thousands |
| | Working population[2,3] | Employed labour force[2,3] | Employees in employment[3,8] | Thousands[4,7] | Percentage of employees[4,5] | Vacancies notified to employment offices§[4] | Employees in employment | Average hours worked per operative | Total unemployed including school-leavers[7] |
| 1974 | 25 707 | 25 131 | 22 790 | 610.8 | *2.6* | 297.3 | 104.7 | 101.1 | 599.5 |
| 1975 | 25 926 | 25 041 | 22 711 | 922.9 | *3.9* | 154.4 | 100.0 | 100.0 | 940.9 |
| 1976 | 26 133 | 24 825 | 22 540 | 1 249.1 | *5.2* | 122.2 | 96.8 | 100.2 | 1 301 7 |
| 1977 | 26 242 | 24 841 | 22 610 | 1 333.0 | *5.6* | 154.7 | 97.2 | 101.0 | 1 402.7 |
| 1978 | 26 375 | 24 985 | 22 763 | 1 319.1 | *5.5* | 210.3 | 96.8 | 100.8 | 1 382.9 |
| 1979 | 26 596 | 25 304 | 23 087 | 1 242.4 | *5.1* | 241.3 | 95.7 | 100.6 | 1 295.7 |
| 1980 | 26 765 | 25 181 | 22 847 | 1 560.8 | *6.4* | 143.0 | 90.2 | 97.3 | 1 664.9 |
| 1981 | 26 622 | 24 145 | 21 693 | 2 413.1 | *10.0* | 97.0 | 81.3 | 96.0 | 2 520.4 |
| 1982 | 26 617 | 23 756 | 21 214 | 2 793.2 | *11.7* | 111.3 | 76.7 | 97.8 | 2 916.9 |
| 1980 *3* | 26 756 | 24 932 | 22 563 | 1 626.5 | *6.7* | 120.6 | 89.2 | 96.5 | 1 824.4 |
| *4* | 26 733 | 24 628 | 22 230 | 1 913.3 | *7.9* | 99.2 | 86.3 | 94.4 | 2 010.8 |
| 1981 *1* | 26 706 | 24 381 | 21 956 | 2 166.0 | *9.0* | 98.2 | 83.6 | 94.1 | 2 305.7 |
| *2* | 26 622 | 24 145 | 21 693 | 2 362.2 | *9.8* | 89.4 | 81.9 | 95.5 | 2 391.8 |
| *3* | 26 718 | 24 038 | 21 560 | 2 515.1 | *10.4* | 96.4 | 80.3 | 97.0 | 2 615.6 |
| *4* | 26 683 | 23 917 | 21 417 | 2 609.1 | *10.8* | 104.1 | 79.3 | 97.4 | 2 768.4 |
| 1982 *1* | 26 683 | 23 870 | 21 349 | 2 679.4 | *11.2* | 111.7 | 78.3 | 97.7 | 2 862.4 |
| *2* | 26 617 | 23 756 | 21 214 | 2 742.5 | *11.5* | 107.2 | 77.3 | 97.6 | 2 796.2 |
| *3* | 26 633 | 23 637 | 21 071 | 2 837.5 | *11.9* | 110.9 | 76.1 | 97.7 | 2 939.2 |
| *4* | 26 634 | 23 538 | 20 949 | 2 238.1 | *12.2* | 115.3 | 75.1 | 98.1 | 3 069.7 |
| 1983 *1* | 26 679 | 23 516 | 20 902 | 3 003.0 | *12.6* | 124.0 | 73.9 | 98.1 | 3 199.0 |
| *2* | 26 611 | 23 534 | 20 894 | 2 987.1 | *12.5* | 135.0 | 73.2 | 97.9 | 3 067.7 |
| *3* | | | | | | | 72.7 | 98.4 | |
| 1981 *A* | .. | .. | .. | 2 514.2 | *10.4* | 98.5 | 80.4 | 97.1 | 2 586.3 |
| *S* | .. | .. | .. | 2 554.6 | *10.6* | 97.8 | 80.0 | 97.4 | 2 748.6 |
| *O* | .. | .. | .. | 2 582.8 | *10.7* | 100.6 | 79.7 | 97.6 | 2 771.6 |
| *N* | .. | .. | .. | 2 615.5 | *10.9* | 104.3 | 79.4 | 97.2 | 2 769.5 |
| *D* | .. | .. | .. | 2 629.0 | *10.9* | 107.5 | 78.9 | 97.3 | 2 764.1 |
| 1982 *J* | .. | .. | .. | 2 670.5 | *11.2* | 111.6 | 78.5 | 97.5 | 2 896.3 |
| *F* | .. | .. | .. | 2 679.8 | *11.2* | 113.0 | 78.3 | 97.8 | 2 870.2 |
| *M* | .. | .. | .. | 2 687.9 | *11.3* | 110.6 | 78.1 | 97.8 | 2 820.8 |
| *A* | .. | .. | .. | 2 715.1 | *11.4* | 109.7 | 77.7 | 97.4 | 2 818.5 |
| *M* | .. | .. | .. | 2 739.8 | *11.5* | 106 6 | 77.3 | 97.8 | 2 800.5 |
| *J* | .. | .. | .. | 2 772.7 | *11.6* | 105.2 | 77.0 | 97.6 | 2 769.6 |
| *J* | .. | .. | .. | 2 813.8 | *11.8* | 111.4 | 76.5 | 97.6 | 2 852.5 |
| *A* | .. | .. | .. | 2 832.4 | *11.9* | 114.0 | 76.1 | 97.7 | 2 898.8 |
| *S* | .. | .. | .. | 2 866.4 | *12.0* | 107.3 | 75.8 | 97.7 | 3 066.2 |
| *O* | .. | .. | .. | 2 885.4 | *12.1* | 113.9 | 75.5 | 98.1 | 3 049.0 |
| *N* | .. | .. | .. | 2 905.5 | *12.2* | 114.4 | 75.1 | 98.2 | 3 063.0 |
| *D* | .. | .. | .. | 2 948.8 | *12.4* | 117.6 | 74.6 | 98 1 | 3 097.0 |
| 1983 *J* | .. | .. | .. | 2 982.7 | *12.5* | 122.0 | 74.2 | 98.1 | 3 225.2 |
| *F* | .. | .. | .. | 3 000.6 | *12.6* | 124.0 | 73.9 | 98.1 | 3 199.4 |
| *M* | .. | .. | .. | 3 025.7 | *12.7* | 126.1 | 73.7 | 98.2 | 3 172.4 |
| *A* | .. | .. | .. | 3 021.1 | *12.7* | 134.5 | 73.5 | 97·8 | 3 169.9 |
| *M* | .. | .. | .. | 2 969.9 | *12.4* | 131.1 | 73.1 | 98.2 | 3 049.4 |
| *J* | .. | .. | .. | 2 967.7 | *12.4* | 139.3 | 73.0 | 97.8 | 2 983.9 |
| *J* | .. | .. | .. | 2 957.3 | *12.4* | 153.4 | 72·7 | 98·2 | 3 020.6 |
| A | .. | .. | .. | 2 940.9 | *12.3* | 162.0 | 72.8† | 98.3 | 3 009.9 |
| *S* | .. | .. | .. | 2 951.3 | *12·4* | 163.6 | 72.6 | 98.8 | 3 167.4 |
| *O* | .. | .. | .. | 2 941.2[6] | *12.3* | 167.0 | | | 3 094.0 |

[1] Unemployment figures (new basis–claimants) do not include students registered for temporary employment during a current vacation.

[2] The working population consists of the employed labour force and the unemployed (including school-leavers); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment. Estimates of the working population and of the employed labour force are provisional from September 1981 and include an allowance for underestimation at the rate of 25,000 per quarter for self employment and, from December 1981, 40,000 per quarter for employees in employment. See article on Page 242 of *Employment Gazette* June 1983.

[3] Annual estimates relate to mid-year. Figures for the four quarters relate to March, June, September and December respectively.

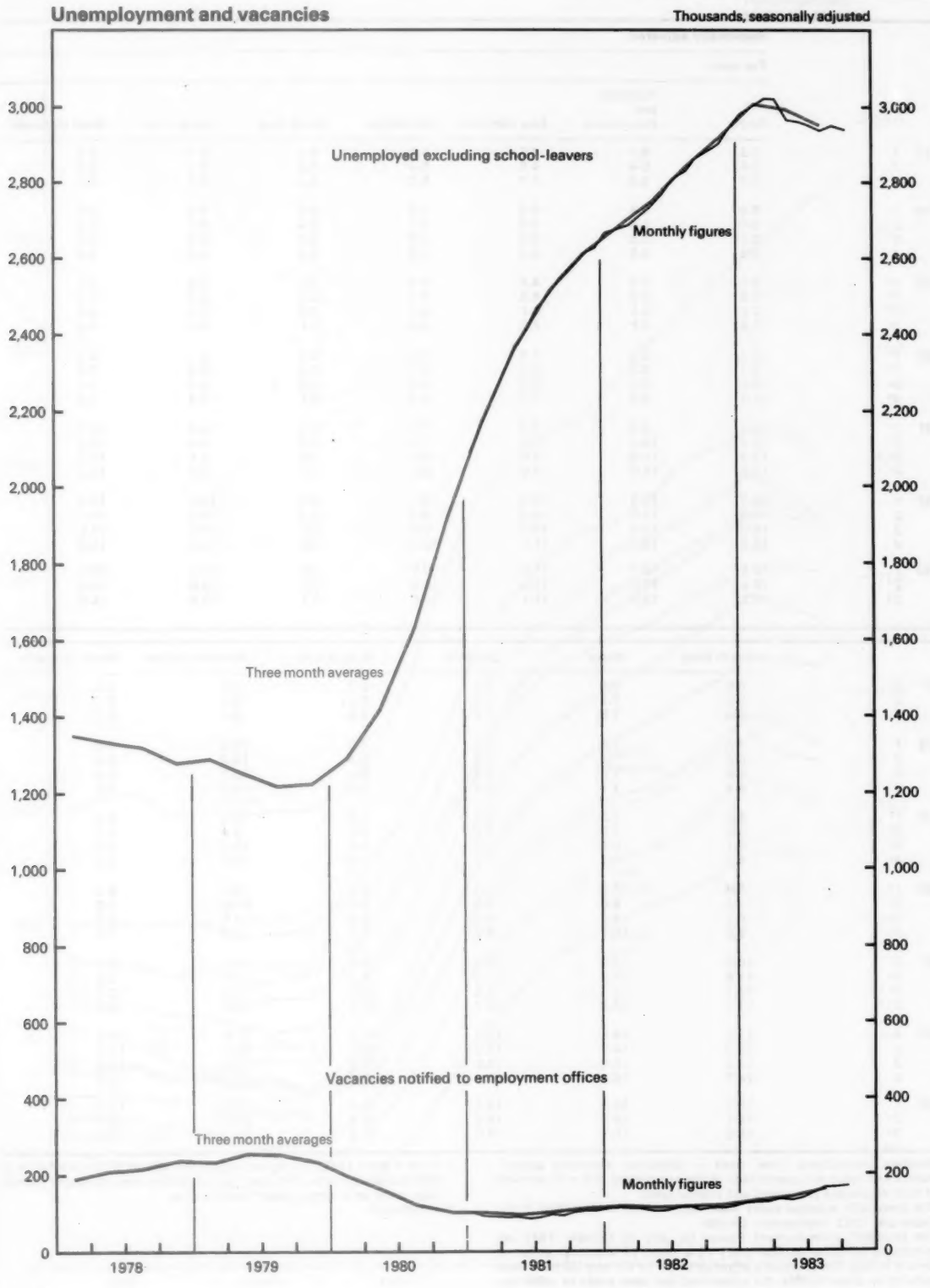
[4] The seasonally adjusted series have been revised as described in the December 1982 *Employment Gazette*.

[5] The base used in calculating the percentage rate of unemployment is the appropriate mid-year estimate of total employees (employed and unemployed).

[6] Provisional.

[7] From April 1 1983, the figures reflect the effects of the provisions in the Budget for some men aged 60 and over who no longer have to sign on at an unemployment benefit office.

[8] Estimates of employees in employment are provisional from December 1981 and include an allowance for underestimation. See note 2 above.


Unemployment and vacancies
Thousands, seasonally adjusted
3,000
2,800
2,600
2,400
2,200
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
Unemployed excluding school-leavers
Monthly figures
Three month averages
Vacancies notified to employment offices
Three month averages
Monthly figures
1978
1979
1980
1981
1982
1983

## Regional unemployment rates[1]

**Seasonally adjusted**

**Per cent**

| | | North | Yorkshire and Humberside | East Midlands | East Anglia | South East | South West | West Midlands |
|---|---|---|---|---|---|---|---|---|
| 1977 | 2 | 7.2 | 5.1 | 4.5 | 4.8 | 4.1 | 6.2 | 5.1 |
| | 3 | 7.6 | 5.4 | 4.6 | 5.0 | 4.2 | 6.4 | 5.2 |
| | 4 | 7.9 | 5.4 | 4.7 | 5.0 | 4.2 | 6.5 | 5.2 |
| 1978 | 1 | 8.0 | 5.4 | 4.6 | 4.8 | 4.0 | 6.2 | 5.0 |
| | 2 | 8.0 | 5.4 | 4.6 | 4.7 | 3.9 | 6.1 | 5.0 |
| | 3 | 8.0 | 5.5 | 4.5 | 4.6 | 3.8 | 5.9 | 5.0 |
| | 4 | 8.0 | 5.3 | 4.4 | 4.5 | 3.6 | 5.6 | 4.9 |
| 1979 | 1[2] | 8.0 | 5.4 | 4.4 | 4.4 | 3.5 | 5.5 | 4.9 |
| | 2[2] | 7.8 | 5.2 | 4.2 | 4.2 | 3.4 | 5.3 | 4.9 |
| | 3[2] | 7.8 | 5.1 | 4.1 | 4.0 | 3.2 | 5.1 | 4.9 |
| | 4[2] | 7.9 | 5.1 | 4.2 | 3.9 | 3.1 | 5.0 | 4.9 |
| 1980 | 1[2] | 8.4 | 5.5 | 4.4 | 4.0 | 3.3 | 5.1 | 5.2 |
| | 2[2] | 9.2 | 6.2 | 5.0 | 4.5 | 3.6 | 5.5 | 5.9 |
| | 3[2] | 10.0 | 7.1 | 6.0 | 5.3 | 4.2 | 6.3 | 7.1 |
| | 4[2] | 11.3 | 8.5 | 7.2 | 6.3 | 5.1 | 7.3 | 8.9 |
| 1981 | 1[2] | 12.9 | 9.9 | 8.4 | 7.3 | 6.0 | 8.2 | 10.7 |
| | 2[2] | 13.7 | 10.8 | 9.2 | 7.9 | 6.7 | 8.9 | 11.9 |
| | 3[2,3] | 14.4 | 11.4 | 9.6 | 8.4 | 7.3 | 9.4 | 12.7 |
| | 4[2,3] | 14.8 | 11.8 | 9.9 | 8.7 | 7.7 | 9.8 | 13.2 |
| 1982 | 1 | 15.0 | 12.2 | 10.2 | 9.1 | 8.0 | 10.0 | 13.8 |
| | 2 | 15.4 | 12.5 | 10.4 | 9.3 | 8.3 | 10.2 | 14.1 |
| | 3 | 16.0 | 12.9 | 10.7 | 9.6 | 8.5 | 10.5 | 14.5 |
| | 4 | 16.3 | 13.3 | 11.1 | 10.1 | 8.8 | 10.9 | 14.8 |
| 1983 | 1 | 16.6 | 13.7 | 11.6 | 10.5 | 9.2 | 11.3 | 15.3 |
| | 2[4] | 16.6 | 13.5 | 11.4 | 10.3 | 9.2 | 10.9 | 15.3 |
| | 3[4] | 16.2 | 13.3 | 11.1 | 10.0 | 9.1 | 10.8 | 14.8 |

| | | North West | Wales | Scotland | Great Britain | Northern Ireland | United Kingdom |
|---|---|---|---|---|---|---|---|
| 1977 | 2 | 6.5 | 6.9 | 7.1 | 5.4 | 9.5 | 5.5 |
| | 3 | 6.7 | 7.2 | 7.4 | 5.6 | 9.8 | 5.7 |
| | 4 | 6.8 | 7.5 | 7.5 | 5.6 | 9.9 | 5.7 |
| 1978 | 1 | 6.6 | 7.3 | 7.5 | 5.5 | 10.0 | 5.6 |
| | 2 | 6.6 | 7.3 | 7.3 | 5.4 | 10.2 | 5.5 |
| | 3 | 6.6 | 7.3 | 7.2 | 5.4 | 10.3 | 5.5 |
| | 4 | 6.4 | 7.1 | 7.1 | 5.2 | 9.9 | 5.3 |
| 1979 | 1[2] | 6.4 | 7.3 | 7.1 | 5.2 | 10.0 | 5.3 |
| | 2[2] | 6.2 | 7.0 | 7.0 | 5.0 | 9.9 | 5.1 |
| | 3[2] | 6.1 | 6.7 | 7.0 | 4.9 | 10.0 | 5.0 |
| | 4[2] | 6.2 | 6.7 | 7.1 | 4.9 | 10.0 | 5.0 |
| 1980 | 1[2] | 6.6 | 7.2 | 7.5 | 5.2 | 10.4 | 5.3 |
| | 2[2] | 7.3 | 8.0 | 8.1 | 5.7 | 11.0 | 5.8 |
| | 3[2] | 8.2 | 9.2 | 8.8 | 6.5 | 12.3 | 6.7 |
| | 4[2] | 9.5 | 10.7 | 9.9 | 7.7 | 14.0 | 7.9 |
| 1981 | 1[2] | 10.9 | 12.0 | 10.9 | 8.8 | 15.4 | 9.0 |
| | 2[2] | 11.8 | 12.7 | 11.7 | 9.7 | 16.1 | 9.8 |
| | 3[2,3] | 12.7 | 13.4 | 12.4 | 10.3 | 16.5 | 10.4 |
| | 4[2,3] | 13.1 | 13.8 | 12.7 | 10.7 | 16.8 | 10.8 |
| 1982 | 1 | 13.5 | 14.5 | 13.0 | 11.1 | 17.4 | 11.2 |
| | 2 | 13.9 | 14.7 | 13.2 | 11.3 | 18.1 | 11.5 |
| | 3 | 14.3 | 15.0 | 13.6 | 11.7 | 18.6 | 11.9 |
| | 4 | 14.7 | 15.4 | 13.9 | 12.0 | 19.2 | 12.2 |
| 1983 | 1 | 15.1 | 15.8 | 14.2 | 12.4 | 19.7 | 12.6 |
| | 2[4] | 15.1 | 15.5 | 14.2 | 12.3 | 20.2 | 12.5 |
| | 3[4] | 14.9 | 15.1 | 14.0 | 12.2 | 20.7 | 12.4 |

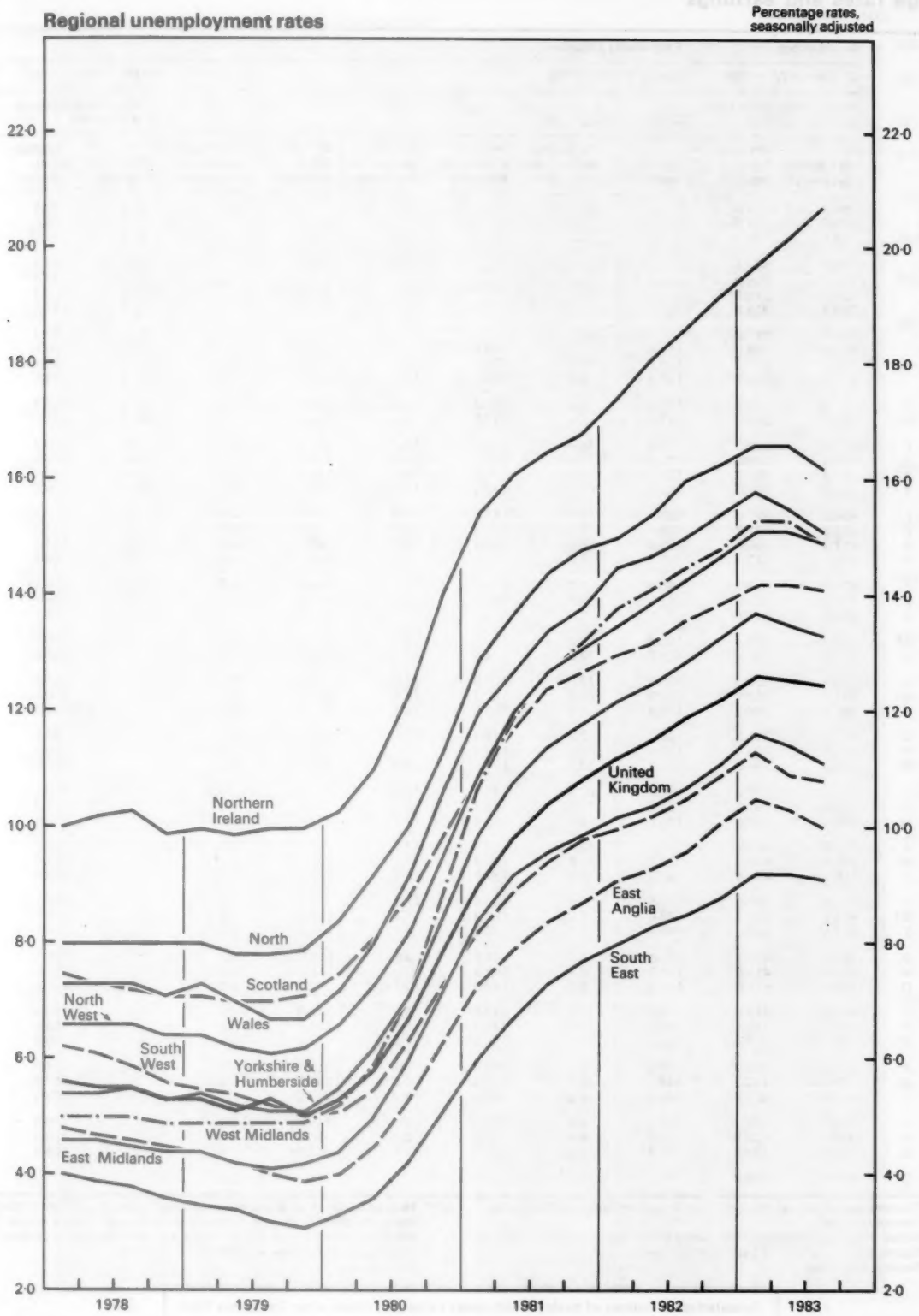
[1] Numbers unemployed (new basis – claimants) excluding school-leavers expressed as a percentage of the appropriate mid-year estimate of total employees (employed and unemployed).

[2] The seasonally adjusted series have been revised as described in the December 1982 *Employment Gazette*.

[3] The recorded unemployment figures for July to October 1981 are overstated by about 20,000 (net) as a result of industrial action at benefit offices. The seasonally adjusted totals for GB and UK have been reduced to allow for this. No adjustment has been made to other unemployment figures.

[4] From 1 April 1983, the figures reflect the effects of the provisions in the Budget for some men aged sixty and over who no longer have to sign on at an unemployment benefit office.

[5] Provisional.


Regional unemployment rates
Percentage rates, seasonally adjusted
22·0
20·0
18·0
16·0
14·0
12·0
10·0
8·0
6·0
4·0
2·0
1978
1979
1980
1981
1982
1983
Northern Ireland
North
Scotland
North West
Wales
South West
Yorkshire & Humberside
West Midlands
East Midlands
United Kingdom
East Anglia
South East

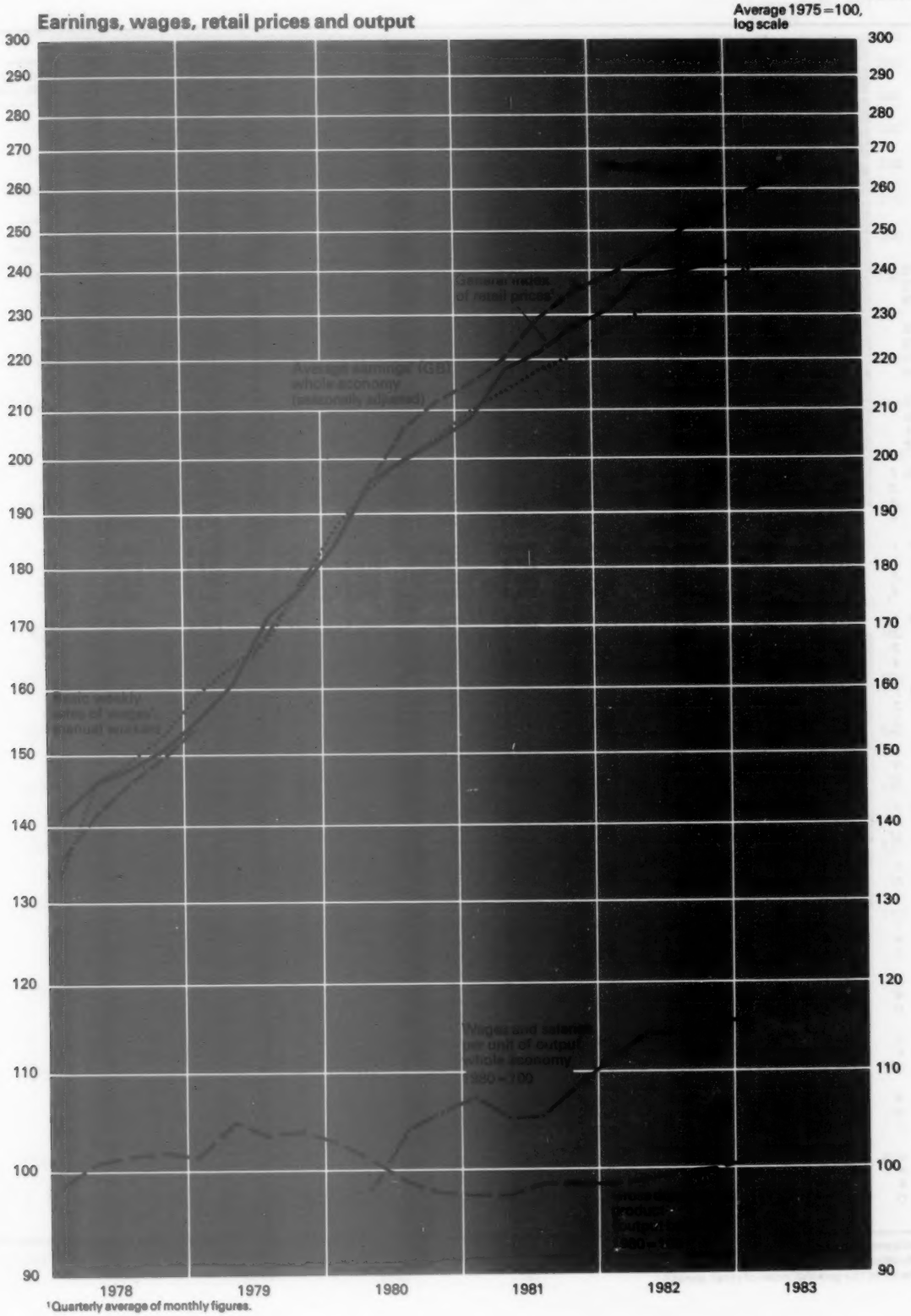
## Wage rates and earnings

| | Unadjusted | | Seasonally adjusted[1] | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31 July 1972 = 100[2] | | January 1980 = 100 | | | | | | 1980 = 100 | |
| | Basic weekly wage rates (manual workers) | | Average earnings (GB) | | | | | | Wages and salaries per unit of output | |
| | All industries and services | Manufacturing industry | Whole economy | *Percentage increase on year earlier* | Index of production industries[3] | *Percentage increase on year earlier* | Manufacturing industry[3] | *Percentage increase on year earlier* | Whole economy | Manufacturing industry[4] |
| 1972 | 101.3 | 101.5 | .. | .. | .. | .. | .. | .. | 32.9 | 32.9 |
| 1973 | 115.3 | 114.6 | .. | .. | .. | .. | .. | .. | 35.2 | 34.3 |
| 1974 | 138.0 | 134.3 | .. | .. | .. | .. | .. | .. | 42.8 | 40.8 |
| 1975 | 178.7 | 174.4 | .. | .. | .. | .. | .. | .. | 55.7 | 52.8 |
| 1976 | 213.2 | 209.0 | .. | .. | .. | .. | .. | .. | 61.3 | 58.4 |
| 1977 | 227.3 | 218.9 | .. | .. | .. | .. | .. | .. | 65.4 | 63.4 |
| 1978 | 259.3 | 258.8 | .. | .. | .. | .. | .. | .. | 72.5 | 71.9 |
| 1979 | 298.1 | 297.5 | .. | .. | .. | .. | .. | .. | 82.7 | 82.3 |
| 1980 | 351.8 | 348.5 | 111.4 | .. | 109.3 | .. | 109.1 | .. | 100.0 | 100.0 |
| 1981 | 387.7 | 381.7 | 125.8 | *12.9* | 124.1 | *13.5* | 123.6 | *13.2* | 108.7 | 109.4 |
| 1982 | 414.3 | 404.1 | 137.6 | *9.4* | 138.2 | *11.4* | 137.4 | *11.2* | 114.0 | 114.6 |
| 1980 *3* | 357.4 | 349.9 | 114.8 | .. | 112.3 | .. | 112.0 | .. | 104.1 | 103.9 |
| *4* | 366.6 | 362.3 | 117.7 | .. | 114.5 | .. | 114.3 | .. | 105.8 | 107.6 |
| 1981 *1* | 377.0 | 372.5 | 120.6 | *16.4* | 118.5 | *15.7* | 117.8 | *15.3* | 107.4 | 109.3 |
| *2* | 385.6 | 379.4 | 123.6 | *13.0* | 121.2 | *12.2* | 120.6 | *11.9* | 108.8 | 108.6 |
| *3* | 391.2 | 383.2 | 128.1 | *11.6* | 126.7 | *12.8* | 126.2 | *12.7* | 109.4 | 109.3 |
| *4* | 396.8 | 391.4 | 130.9 | *11.2* | 130.1 | *13.6* | 129.8 | *13.6* | 108.7 | 110.5 |
| 1982 *1* | 404.5 | 397.6 | 133.9 | *11.0* | 133.9 | *12.9* | 133.1 | *12.9* | 111.6 | 112.4 |
| *2* | 413.0 | 401.8 | 136.4 | *10.3* | 136.9 | *12.9* | 136.4 | *13.1* | 113.7 | 114.2 |
| *3* | 417.3 | 404.5 | 139.0 | *8.5* | 139.3 | *9.9* | 138.5 | *9.7* | 114.1 | 114.9 |
| *4* | 422.7 | 412.3 | 141.1 | *7.8* | 142.6 | *9.6* | 141.7 | *9.2* | 115.9 | 116.8 |
| 1983 *1* | 429.3 | 419.1 | 146.0 | *9.0* | 145.0 | *8.3* | 144.6 | *8.6* | 116.2† | 115.4† |
| *2* | 436.0† | 421.9 | 147.9 | *8.4* | 148.3 | *8.3* | 148.0 | *8.5* | 117.2 | 118.1 |
| *3* | 439.4 | 423.8 | | | | | | | | 118.1 |
| 1981 *M* | 385.7 | 379.4 | 123.6 | *13.2* | 120.5 | *12.1* | 120.0 | *11.8* | .. | 109.6 |
| *J* | 387.2 | 382.0 | 124.8 | *12.0* | 123.5 | *12.1* | 122.6 | *11.5* | .. | 108.4 |
| *J* | 390.7 | 382.3 | 125 8 | *12.1* | 124.8 | *11.8* | 124.2 | *11.4* | .. | 108.4 |
| *A* | 391.2 | 383.1 | 128.9 | *13.0* | 127.3 | *13.6* | 126.9 | *13.4* | .. | 110.2 |
| *S* | 391.6 | 384.1 | 129.5 | *9.7* | 127.9 | *13.1* | 127.4 | *12.9* | .. | 109.4 |
| *O* | 393.0 | 386.2 | 130.2 | *12.0* | 129.9 | *14.6* | 129.4 | *14.5* | .. | 109.3 |
| *N* | 398.7 | 394.0 | 130.8 | *11.5* | 130.0 | *13.5* | 129.9 | *13 4* | .. | 110.3 |
| *D* | 398.8 | 394.0 | 131.7 | *10.1* | 130.5 | *13.0* | 130.2 | *12.7* | .. | 112.0 |
| 1982 *J* | 403.6 | 397.2 | 132.8 | *10.9* | 132.6 | *13.0* | 132.0 | *13.3* | .. | 112.9 |
| *F* | 404.5 | 397.8 | 134 3 | *11 3* | 134.7 | *13.5* | 132.8 | *12.4* | .. | 111.3 |
| *M* | 405.3 | 397.9 | 134.7 | *11.0* | 134.6 | *12.7* | 134.4 | *13.0* | .. | 112.9 |
| *A* | 410.6 | 400.1 | 135.4 | *10.4* | 136.1 | *13.7* | 136.0 | *14.1* | .. | 114.5 |
| *M* | 412.3 | 402.0 | 136.7 | *10.6* | 136.9 | *13.6* | 136.5 | *13.8* | .. | 112.8 |
| *J* | 416.1 | 403.4 | 137.0 | *9.8* | 137.6 | *11.4* | 136.7 | *11.5* | .. | 115.4 |
| *J* | 416.8 | 403.9 | 139.5 | *10.9* | 138.5 | *11.0* | 137.8 | *11.0* | .. | 115.1 |
| *A* | 417.2 | 404.4 | 138.6 | *7.5* | 139.3 | *9.4* | 138.4 | *9.1* | .. | 115.1 |
| *S* | 417.8 | 405.3 | 138.9 | *7.3* | 140.2 | *9.6* | 139.3 | *9.3* | .. | 114.4 |
| *O* | 418.2 | 405.4 | 139.8 | *7.4* | 141.1 | *8.6* | 140.9 | *8.9* | .. | 116.5 |
| *N* | 424.8 | 415.8 | 141.7 | *8.3* | 142.8 | *9.8* | 141.6 | *9.0* | .. | 117.5 |
| *D* | 425.0 | 415.8 | 141.8 | *7.7* | 143.8 | *10.2* | 142.7 | *9.6* | .. | 116.3 |
| 1983 *J* | 428.6 | 418.8 | 144.5 | *8.8* | 144.6 | *9.0* | 144.0 | *9.1* | .. | 113.8† |
| *F* | 429.2 | 419.1 | 147.2 | *9.6* | 145.2 | *7.8* | 144.8 | *9.0* | .. | 115.9 |
| *M* | 430.2 | 419.4 | 146.3 | *8.6* | 145.3 | *7.9* | 145.0 | *7.9* | .. | 116.5 |
| *A* | 434.2 | 420.7 | 147.0 | *8.6* | 148.5 | *9.1* | 148.1 | *8.9* | .. | 118.7 |
| *M* | 435.4 | 422.2 | 148.6 | *8.7* | 148.4 | *8.4* | 148.2 | *8.6* | .. | 117.6 |
| *J* | 438.5 | 422.8 | 148.2 | *8.2* | 148.2 | *7.7* | 147.8 | *8.1* | .. | 118.0 |
| *J* | 439.1 | 423.7 | 150.3 | *7.7* | 150.0 | *8.3* | 149.7 | *8.6* | .. | 116.0 |
| *A* | 439.3 | 423.8 | 150.2 | *8.4* | 151.3 | *8.6* | 150.8 | *9.0* | .. | 118.3 |
| *S* | 439.8 | 423.8 | 150.7[5] | *8.5* | 153.0 | *9.1* | 152.5[5] | *9.5* | .. | 119.9 |
| *O* | 440 5 | 423 9 | | | | | | | | |

[1] The seasonal adjustment factors currently used are based on data up to December 1980.
[2] Before July 1972 the series was based on 31 January 1956 = 100. Figures before July 1972 have therefore been linked.
[3] Revised definition.
[4] This index, based on the monthly indices of average earnings, employment and output adjusted for movements in stocks, now relates to individual months, whereas in the past it has related to a centred 3 month average and has not been stock adjusted.
[5] Provisional

**Calculation of indices of basic weekly wage rates will cease after December 1983**

## Earnings, wages, retail prices and output

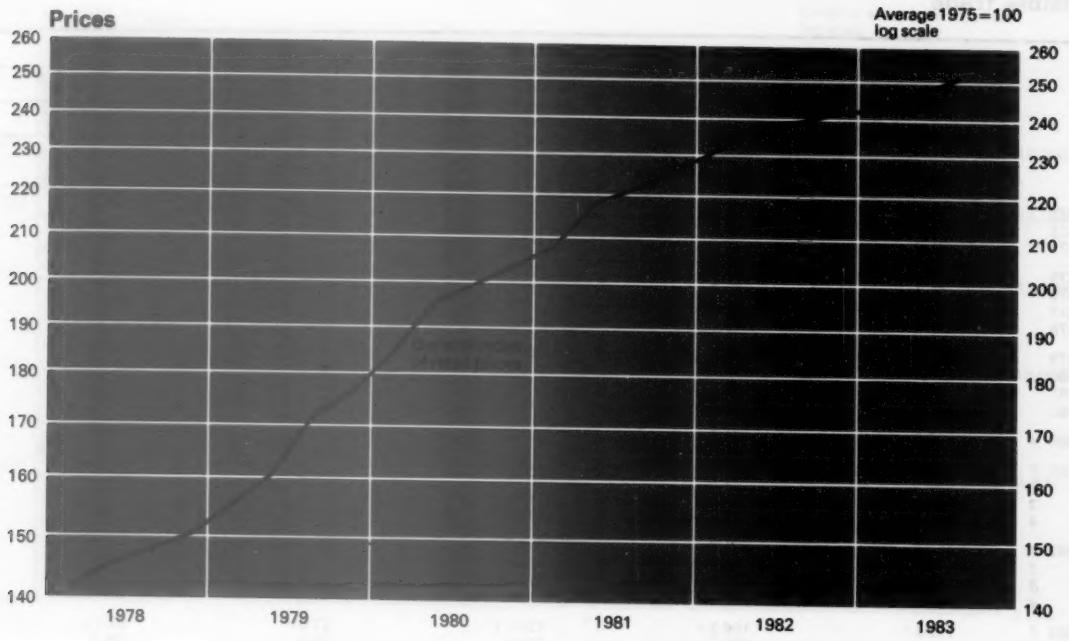


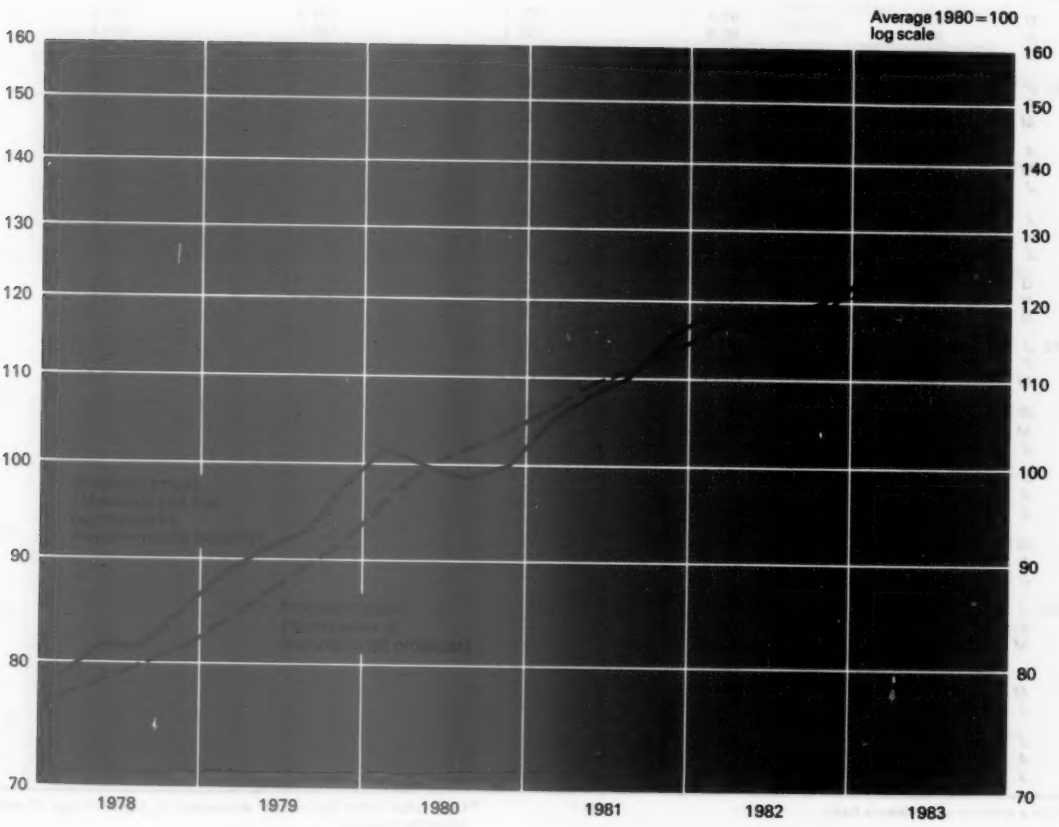

[1] Quarterly average of monthly figures.

## Prices

| | Unadjusted | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Average 1980 =100 | | Average 1975 =100 | | | | | | | | Average 1980 =100p |
| | Producer price index | | General index of retail prices | | | | | | Pensioner price index[1] | | |
| | | Output | | | | | All items other than seasonal food | | | | |
| | Materials and fuel purchased by manufacturing industry | All manufactured products Home sales | All items Index | *Percentage increase on year earlier* | Total food | Total non-food | Index | *Percentage increase on year earlier* | One person household | Two person household | Purchasing power of the pound[2] |
| 1972 | .. | .. | 63·6 | *7·1* | 58·6 | 65·3 | 64·1 | *6·9* | 62·4 | 62·3 | 308 |
| 1973 | .. | .. | 69·4 | *9·2* | 67·5 | 70·1 | 69·4 | *8·3* | 68·4 | 68·7 | 282 |
| 1974 | 49·1 | 42·6 | 80·5 | *16·1* | 79·6 | 80·8 | 80·5 | *16·0* | 79·5 | 79·8 | 243 |
| 1975 | 54·9 | 52·4 | 100·0 | *24·2* | 100·0 | 100·0 | 100·0 | *24·2* | 100·0 | 100·0 | 196 |
| 1976 | 68·4 | 60·9 | 116·5 | *16·5* | 120·0 | 115·8 | 115·8 | *15·8* | 119·1 | 118·8 | 168† |
| 1977 | 78·9 | 72·0 | 135·0 | *15·8* | 142·8 | 132·8 | 134·3 | *16·0* | 139·1 | 138·7 | 145 |
| 1978 | 81·6 | 79·1 | 146·2 | *8·3* | 152·9 | 144·3 | 146·5 | *9·0* | 150·4 | 149·8 | 134 |
| 1979 | 92·2 | 87·7 | 165·8 | *13·4* | 171·3 | 164·3 | 165·9 | *13·3* | 168·0 | 167·6 | 118 |
| 1980 | 100·0 | 100·0 | 195·6 | *18·0* | 191·9 | 196·5 | 196·3 | *18·4* | 195·7 | 194·6 | 100 |
| 1981 | 109·2 | 109·5 | 218·9 | *11·9* | 208·2 | 221·6 | 219·8 | *11·9* | 218·0 | 217·2 | 89 |
| 1982 | 117·2 | 118·0 | 237·7 | *8·6* | 224·5 | 241·3 | 238·4 | *8·5* | 238·3 | 236·8 | 82 |
| 1980 *1* | 101·6 | 95·8 | 184·6 | *19·1* | 185·7 | 184·1 | 184·8 | *19·5* | 185·7 | 184·9 | 106 |
| *2* | 100·0 | 99·7 | 195·3 | *21·5* | 192·0 | 196·1 | 195·8 | *22·3* | 194·1 | 193·5 | 100 |
| *3* | 98·4 | 101·5 | 199·4 | *16·4* | 194·5 | 200·7 | 200·4 | *16·5* | 199·2 | 197·9 | 98 |
| *4* | 99·9 | 102·9 | 203·2 | *15·3* | 195·5 | 205·1 | 204·3 | *15·6* | 203·7 | 201·9 | 96 |
| 1981 *1* | 104·2 | 105·7 | 208·0 | *12·7* | 201·6 | 209·5 | 209·0 | *13·1* | 209·8 | 208·2 | 94 |
| *2* | 107·7 | 109·1 | 218·1 | *11·7* | 207·8 | 220·8 | 218·9 | *11·8* | 216·4 | 215·7 | 90 |
| *3* | 110·1 | 110·5 | 221·9 | *11·2* | 209·2 | 225·2 | 223·0 | *11·3* | 220·1 | 219·6 | 80 |
| *4* | 114·8 | 112·8 | 227·4 | *11·9* | 214·2 | 230·8 | 228·2 | *11·7* | 225·6 | 225·1 | 86 |
| 1982 *1* | 118·0 | 115·7 | 231·1 | *11·1* | 223·3 | 233·1 | 231·2 | *10·7* | 232·7 | 231·6 | 85 |
| *2* | 115·9 | 117·5 | 238·5 | *9·4* | 228·1 | 241·3 | 238·2 | *8·9* | 238·8 | 237·3 | 82 |
| *3* | 115·4 | 118·7 | 239·5 | *8·0* | 222·8 | 244·0 | 240·9 | *8·0* | 239·3 | 237·6 | 82 |
| *4* | 119·4 | 120·1 | 241·4 | *6·2* | 223·9 | 246·2 | 243·1 | *6·5* | 242·5 | 240·8 | 81 |
| 1983 *1* | 124·5 | 121·7 | 242·6 | *4·9* | 226·6 | 247·0 | 243·9 | *5·5* | 245·3 | 243·3 | 81 |
| *2* | 123·6 | 124·2 | 247·6 | *3·8* | 229·8 | 252·4 | 248·6 | *4·4* | 247·6 | 246·3 | 79 |
| *3* | 124·7[4] | 125·1 | 250·7 | *4·6* | 232·8 | 255·6 | 251·6 | *4·4* | 249·6 | 248·4 | 78 |
| 1981 *O* | 112·5 | 112·1 | 225·3 | *11·7* | 212·1 | 228·8 | 226·3 | *11·5* | .. | .. | 87 |
| *N* | 114·9 | 112·8 | 227·7 | *12·0* | 214·2 | 231·3 | 228·6 | *11·8* | .. | .. | 86 |
| *D* | 117·1 | 113·5 | 229·1 | *12·0* | 216·4 | 232·4 | 229·8 | *11·8* | .. | .. | 85 |
| 1982 *J* | 118·0 | 114·8 | 230·4 | *12·0* | 222·1 | 232·5 | 230·6 | *11·5* | .. | .. | 85 |
| *F* | 118·6 | 115·7 | 230·5 | *11·0* | 223·0 | 232·4 | 230·6 | *10·6* | .. | .. | 85 |
| *M* | 117·4 | 116·5 | 232·5 | *10·4* | 224·9 | 234·4 | 232·5 | *9·9* | .. | .. | 84 |
| *A* | 116·2 | 117·3 | 237·2 | *9·4* | 227·0 | 239·8 | 237·0 | *8·9* | .. | .. | 82 |
| *M* | 115·9 | 117·7 | 238·9 | *9·5* | 229·3 | 241·4 | 238·3 | *8·9* | .. | .. | 82 |
| *J* | 115·6 | 117·6 | 239·5 | *9·2* | 228·1 | 242·6 | 239·4 | *8·8* | .. | .. | 82 |
| *J* | 115·8 | 118·3 | 239·6 | *8·7* | 224·7 | 243·5 | 240·3 | *8·6* | .. | .. | 82 |
| *A* | 115·0 | 118·6 | 239·7 | *8·0* | 221·7 | 244·4 | 241·2 | *8·0* | .. | .. | 82 |
| *S* | 115·4 | 119·3 | 239·5 | *7·3* | 222·0 | 244·1 | 241·2 | *7·5* | .. | .. | 82 |
| *O* | 116·5 | 119·7 | 240·7 | *6·8* | 222·4 | 245·5 | 242·5 | *7·2* | .. | .. | 81 |
| *N* | 119·0 | 120·0 | 241·9 | *6·3* | 224·2 | 246·6 | 243·7 | *6·6* | .. | .. | 81 |
| *D* | 122·8 | 120·6 | 241·5 | *5·4* | 225·1 | 245·8 | 243·1 | *5·8* | .. | .. | 81 |
| 1983 *J* | 124·1 | 121·2 | 241·8 | *4·9* | 226·4 | 245·8 | 243·2 | *5·5* | .. | .. | 81 |
| *F* | 125·4 | 121·7 | 242·8 | *5·3* | 226·6 | 247·0 | 244·1 | *5·8* | .. | .. | 81 |
| *M* | 124·2 | 122·4 | 243·2 | *4·6* | 226·9 | 247·6 | 244·6 | *5·2* | .. | .. | 80 |
| *A* | 123·1 | 123·6 | 246·7 | *4·0* | 228·5 | 251·5 | 247·8 | *4·6* | .. | .. | 79 |
| *M* | 123·8 | 124·3 | 247·7 | *3·7* | 229·3 | 252·5 | 248·9 | *4·4* | .. | .. | 79 |
| *J* | 124·0 | 124·6 | 248·3 | *3·7* | 231·7 | 252·7 | 249·2 | *4·1* | .. | .. | 79 |
| *J* | 123·2 | 124·7 | 249·6 | *4·2* | 231·6 | 254·5 | 250·7 | *4·3* | .. | .. | 78 |
| *A* | 124·6 | 124·9 | 250·7 | *4·6* | 232·1 | 255·8 | 251·8 | *4·4* | .. | .. | 78 |
| *S* | 126·4[4] | 125·6[4] | 251·9 | *5·1* | 234·8 | 256·6 | 252·4 | *4·6* | .. | .. | 78 |
| *O* | 125·9[4] | 126·3[4] | 252·7 | *5·0* | 235·9 | 257·3 | 253 2 | *4·4* | .. | .. | 77 |

[1] All items except housing.
[2] Movements in the purchasing power of the pound are based on movements in the general index of retail prices.
[3] Estimated.
[4] Provisional.


Prices
Average 1975 = 100
log scale
260
250
240
230
220
210
200
190
180
170
160
150
140
1978
1979
1980
1981
1982
1983


Average 1980 = 100
log scale
160
150
140
130
120
110
100
90
80
70
1978
1979
1980
1981
1982
1983

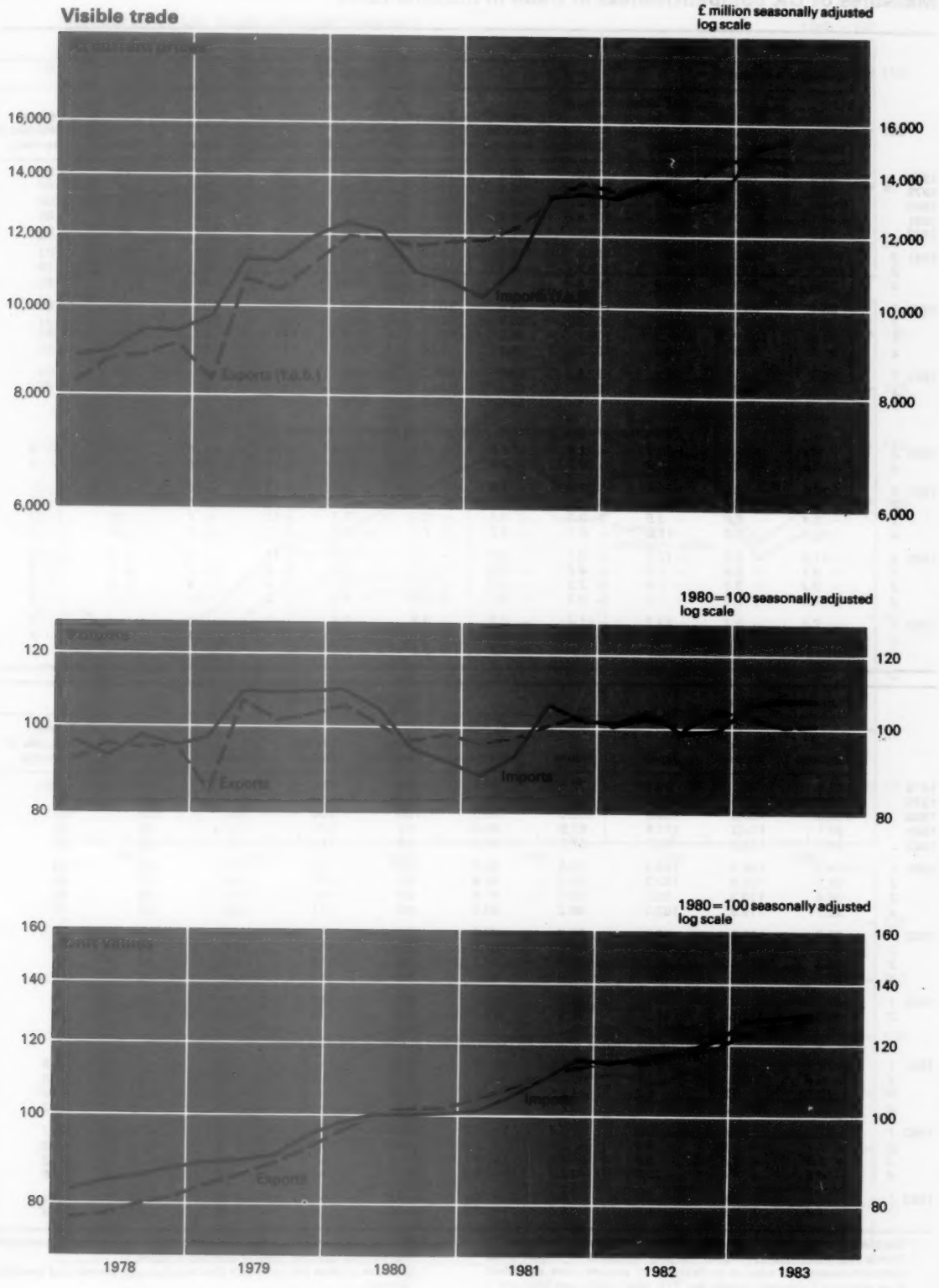
## Visible trade

| | Seasonally adjusted | | Unadjusted | | |
|---|---|---|---|---|---|
| | 1980 = 100 | | 1980 = 100 | | |
| | Volume indices[1] | | Unit value indices[1] | | |
| | Exports | Imports | Exports | Imports | Terms of trade[2] |
| 1972 | 66.5 | 80.6 | 28.9 | 27.2 | 106.3 |
| 1973 | 75.6 | 91.9 | 32.6 | 34.8 | 93.7 |
| 1974 | 81.0 | 92.7 | 41.5 | 50.9 | 81.5 |
| 1975 | 77.8 | 84.7 | 50.9 | 58.0 | 87.8 |
| 1976 | 85.4 | 89.6 | 60.8 | 70.9 | 85.8 |
| 1977 | 92.1 | 91.3 | 72.0 | 82.1 | 87.7 |
| 1978 | 94.4 | 95.5 | 79.1 | 85.2 | 92.8 |
| 1979 | 99.1 | 105.7 | 87.6 | 90.9 | 96.4 |
| 1980 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1981 | 99.3 | 97.3 | 108.9 | 107.8 | 101.0 |
| 1982 | 101.8 | 101.0 | 116.6 | 117.4 | 99.3 |
| 1980 *4* | 98.0 | 91.8 | 101.6 | 101.1 | 100.5 |
| 1981 *1* | 96.4 | 88.3 | 104.0 | 101.4 | 102.6 |
| *2* | 97.3 | 92.9 | 107.1 | 105.0 | 102.0 |
| *3* | 100.6 | 105.9 | 110.7 | 110.0 | 100.7 |
| *4* | 102.7 | 102.1 | 113.6 | 115.0 | 98.8 |
| 1982 *1* | 100.6 | 101.9 | 114.6 | 114.6 | 100.0 |
| *2* | 102.8 | 104.0 | 114.6 | 116.1 | 98.8 |
| *3* | 98.4 | 98.9 | 117.5 | 117.8 | 99.8 |
| *4* | 104.6 | 99.3 | 119.4 | 121.0 | 98.7 |
| 1983 *1* | 102.6† | 106.2† | 124.1† | 127.0† | 97.7† |
| *2* | 100.2 | 107.2 | 126.1 | 128.5 | 98.2 |
| *3* | 100.7 | 107.2 | 128.2 | 129.0 | 99.4 |
| 1980 *S* | 95.8 | 89.5 | 101.9 | 100.4 | 101.5 |
| *O* | 97.7 | 90.4 | 101.7 | 101.3 | 100.4 |
| *N* | 97.1 | 90.8 | 101.1 | 100.4 | 100.7 |
| *D* | 99.3 | 94.1 | 102.1 | 101.6 | 100.5 |
| 1981 *J* | 99.0 | 87.8 | 103.1 | 100.0 | 103.1 |
| *F* | 94.3 | 91.6 | 103.5 | 101.2 | 102.4 |
| *M* | 95.8 | 85.5 | 105.5 | 103.0 | 102.4 |
| *A* | 98.3 | 87.7 | 106.2 | 104.0 | 102.2 |
| *M* | 95.6 | 94.5 | 107.2 | 104.6 | 102.4 |
| *J* | 97.9 | 96.5 | 107.9 | 106.3 | 101.5 |
| *J* | 100.8 | 104.2 | 109.3 | 107.6 | 101.6 |
| *A* | 100.4 | 112.3 | 111.3 | 109.6 | 101.5 |
| *S* | 100.8 | 101.1 | 111.6 | 112.8 | 99.0 |
| *O* | 104.2 | 98.2 | 113.0 | 115.2 | 98.1 |
| *N* | 100.8 | 107.0 | 113.8 | 115.0 | 99.0 |
| *D* | 103.1 | 100.9 | 114.0 | 114.8 | 99.3 |
| 1982 *J* | 96.2 | 103.3 | 114.4 | 113.9 | 100.5 |
| *F* | 99.7 | 99.4 | 115.1 | 115.1 | 100.0 |
| *M* | 105.9 | 103.1 | 114.4 | 114.9 | 99.6 |
| *A* | 104.8 | 104.6 | 114.2 | 115.6 | 98.8 |
| *M* | 101.9 | 105.9 | 114.3 | 116.2 | 98.4 |
| *J* | 101.7 | 101.6 | 115.4 | 116.4 | 99.2 |
| *J* | 99.8 | 99.3 | 116.5 | 116.8 | 99.7 |
| *A* | 94.7 | 97.5 | 117.7 | 117.8 | 99.9 |
| *S* | 103.7 | 100.0 | 118.4 | 118.7 | 99.7 |
| *O* | 101.0 | 99.8 | 118.5 | 120.5 | 98.3 |
| *N* | 106.3 | 98.1 | 118.9 | 120.5 | 98.7 |
| *D* | 106.5 | 99.9 | 120.9 | 121.9 | 99.2 |
| 1983 *J* | 95.3† | 108.6† | 123.0† | 124.7† | 98.6 |
| *F* | 102.7 | 107.3 | 124.0 | 127.2 | 97.5 |
| *M* | 109.7 | 102.7 | 125.3 | 129.1 | 97.1 |
| *A* | 97.5 | 105.7 | 126.4 | 129.6 | 97.5† |
| *M* | 98.0 | 109.8 | 125.7 | 128.6 | 97.7 |
| *J* | 105.0 | 106.1 | 126.2 | 127.2 | 99.2 |
| *J* | 96.8 | 107.1 | 127.3 | 128.5 | 99.0 |
| *A* | 100.4 | 107.2 | 128.7 | 129.3 | 99.5 |
| *S* | 105.0 | 107.4 | 128.8 | 129.3 | 99.6 |

[1] On a balance of payments basis.

[2] Unit value index for exports expressed as a percentage of unit value index for imports.

## Visible trade



## Measures of UK competitiveness in trade in manufactures

1980 = 100

| | Summary measures[1] | | | | | | Export unit value index[2] | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Relative export prices[2] | Relative producer prices[2] | IMF index of relative unit labour costs[2] Actual | IMF index of relative unit labour costs[2] Normalised | Import price competitiveness[4] | Relative profitability of exports[4] | United Kingdom | United States | Japan | France | Federal Republic of Germany |
| 1978 | 84.5 | 78.6 | 68.3 | 70.0 | 88.2 | 105.3 | 68.4 | 79 | 89 | 78 | 83 |
| 1979 | 90.4 | 87.3 | 80.1 | 80.9 | 94.9 | 106.1 | 82.6 | 91 | 94 | 90 | 94 |
| 1980 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100 | 100 | 100 | 100 |
| 1981 | 98.1 | 101.7 | 102.7 | 107.8 | 100.6 | 100.5 | 93.1 | 112 | 106 | 87 | 85 |
| 1982 | 92.5 | 99.4 | 96.6 | 104.6 | 98.4 | 101.6 | 86.3 | 119 | 100 | 83 | 85 |
| 1981 2 | 100.9 | 105.0 | 105.1 | 109.6 | 102.1 | 99.8 | 94.2 | 111 | 105 | 85 | 83 |
| 3 | 93.3 | 97.3 | 98.2 | 103.7 | 100.2 | 100.4 | 85.6 | 114 | 102 | 84 | 79 |
| 4 | 92.8 | 96.9 | 95.9 | 102.4 | 97.4 | 101.6 | 89.8 | 117 | 107 | 87 | 88 |
| 1982 1 | 93.4 | 99.2 | 97.6 | 104.9 | 99.8 | 101.3 | 89.4 | 120 | 105 | 87 | 85 |
| 2 | 91.7 | 99.1 | 96.9 | 104 6 | 98.7 | 100.9 | 86.8 | 119 | 102 | 86 | 87 |
| 3 | 93.6 | 100.7 | 97.3 | 106.1 | 98.2 | 101.7 | 85.8 | 118 | 98 | 79 | 83 |
| 4 | 91.3 | 98.8 | 94.6 | 102.7 | 96.7 | 102.5 | 83.1 | 119 | 95 | 80 | 83 |
| 1983 1 | 86.3 | 90.1 | 84.2 | 92.9 | 93.0 | 105.2 | 80.5 | 122 | 99 | 83 | 83 |
| 2 | 93.0 | 95.0 | 88.9 | 98.6 | 91.8 | 106.1 | 83.7 | 120 | 91 | 78 | 83 |
| 3 | | | | | 92.4 | 106.9 | 82.8 | | | | |
| | *Percentage change, quarter on corresponding quarter of previous year.* | | | | | | | | | | |
| 1980 3 | + 8.4 | + 9.4 | +20.2 | +21.6 | + 2.8 | + 0.3 | +18.9 | +10 | + 5 | +13 | + 8 |
| 4 | +13.6 | +16.3 | +27.9 | +28.7 | + 4.7 | — | +20.2 | +11 | +16 | + 4 | − 2 |
| 1981 1 | +10.3 | +12.6 | +20.6 | +27.4 | + 3.3 | + 1.0 | + 9.8 | +13 | +16 | − 6 | −11 |
| 2 | + 1.9 | + 6.5 | + 8.6 | +13.2 | + 2.7 | − 0.6 | − 4.1 | +13 | + 6 | −14 | −16 |
| 3 | − 8.4 | − 3.8 | − 3.5 | + 0.8 | + 0.1 | − 0.3 | −17.7 | +12 | + 1 | −19 | −22 |
| 4 | −10.4 | − 7.5 | −11.8 | − 6.7 | − 3.7 | + 1.9 | −13.8 | +11 | + 1 | −12 | −10 |
| 1982 1 | −11.5 | − 7.8 | −12.7 | − 9.1 | − 2.7 | − 1.1 | −13.0 | +11 | − 4 | − 6 | − 5 |
| 2 | − 9.1 | − 5.6 | − 7.8 | − 4.6 | − 3.3 | + 1.1 | − 7.9 | + 8 | − 3 | + 1 | + 4 |
| 3 | − 0.3 | + 3.5 | − 0.9 | + 2.3 | − 2.0 | + 1.3 | − 0.2 | + 4 | − 4 | − 6 | + 5 |
| 4 | − 1.6 | + 2.0 | − 1.4 | + 0.3 | − 0.7 | + 0.9 | − 7.4 | + 2 | −11 | − 7 | − 5 |
| 1983 1 | − 7.5 | − 9.2 | −13.7 | −11.4 | − 6.8 | + 3.8 | − 9.9 | + 2 | − 5 | − 4 | − 2 |
| 2 | + 1.4 | − 4.1 | − 8.3 | − 5.7 | − 7.0 | + 5.2 | − 3.6 | + 1 | −11 | − 9 | − 4 |
| 3 | | | | | − 5.9 | + 5.1 | − 3.5 | | | | |

| | Producer price index[2] | | | | | Unit labour costs index[2] | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | United Kingdom | United States | Japan | France | Federal Republic of Germany | United Kingdom[5] | United States | Japan | France | Federal Republic of Germany |
| 1978 | 63.2 | 78.1 | 89.1 | 72.5 | 80.4 | 59 | 84 | 110 | 76 | 83 |
| 1979 | 78.5 | 87.5 | 90.2 | 85.5 | 92.3 | 75† | 90 | 103 | 88 | 92 |
| 1980 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100 | 100 | 100 | 100 | 100 |
| 1981 | 96.1 | 109.3 | 103.6 | 87.9 | 86.9 | 95 | 107 | 107 | 88 | 85 |
| 1982 | 90.3 | 112.0 | 92.7 | 81.2 | 85.5 | 86 | 116 | 102 | 80 | 82 |
| 1981 1 | 105.3 | 106.7 | 109.8 | 93.5 | 90.9 | 109† | 103 | 113 | 95 | 89 |
| 2 | 98.1 | 109.4 | 103.3 | 86.2 | 85.4 | 97 | 105 | 108 | 87 | 84 |
| 3 | 88.4 | 110.3 | 98.9 | 83.8 | 81.6 | 86 | 107 | 102 | 83 | 80 |
| 4 | 92.7 | 110.9 | 102.3 | 88.2 | 89.7 | 89 | 111 | 104 | 89 | 87 |
| 1982 1 | 92.9 | 111.6 | 98.6 | 85.6 | 87.3 | 89 | 115 | 105 | 86 | 82† |
| 2 | 91.1 | 111.5 | 94.1 | 84.1 | 87.0 | 87 | 116 | 103 | 83 | 82 |
| 3 | 89.7 | 112.4 | 89.2 | 77.3 | 84.1 | 85 | 116 | 99 | 76 | 81 |
| 4 | 87.5 | 112.5 | 89.0 | 77.6 | 83.7 | 83 | 117 | 100 | 75 | 82 |
| 1983 1 | 82.7 | 112.3 | 96.6 | 81.2 | 86.7 | 76 | 118 | 111 | 78 | 82 |
| 2 | 85.3 | 112.5 | 95.3 | 76.9 | 84.3 | 78 | 116 | 109 | 73 | 78 |
| | *Percentage change, quarter on corresponding quarter of previous year.* | | | | | | | | | |
| 1981 1 | +13.7 | +10.6 | +22.5 | − 3.6 | − 9.1 | +23 | + 9 | +25 | — | − 9 |
| 2 | + 0.4 | +10.6 | + 5.6 | −12.9 | −14.8 | + 1 | + 5 | +12 | −12 | −15 |
| 3 | −15.1 | + 8.9 | − 5.2 | −19.6 | −20.6 | −19 | + 4 | − 3 | −21 | −24 |
| 4 | −12.2 | + 7.3 | − 5.5 | −11.7 | − 7.4 | −19 | + 9 | − 5 | −12 | −12 |
| 1982 1 | −11.8 | + 4.6 | −10.2 | − 8.4 | − 4.0 | −18 | +11 | − 7 | −10 | − 7 |
| 2 | − 7.1 | + 1.9 | − 8.9 | − 2.4 | + 1.9 | −10 | +10 | − 5 | − 4 | − 3 |
| 3 | + 1.5 | + 1.9 | − 9.8 | − 7.8 | + 3.1 | − 1 | + 9 | − 4 | − 8 | + 2 |
| 4 | − 5.6 | + 1.4 | −13.0 | −12.0 | − 6.7 | − 7 | + 5 | − 3 | −16 | − 6 |
| 1983 1 | −11.0 | + 0.6 | − 2.0 | − 5.1 | − 0.7 | −15 | + 3 | + 5 | −10 | − 1 |
| 2 | − 6.4 | + 0.9 | + 1.3 | − 8.6 | − 3.1 | −10 | — | + 6 | −12 | − 4 |

[1] The summary measures of competitiveness were described in *Economic Trends* No. 304, February 1979. Revised measures of import price competitiveness and relative profitability of exports were described in an article in *Economic Trends*, No. 319, May 1980 – see footnote [3].

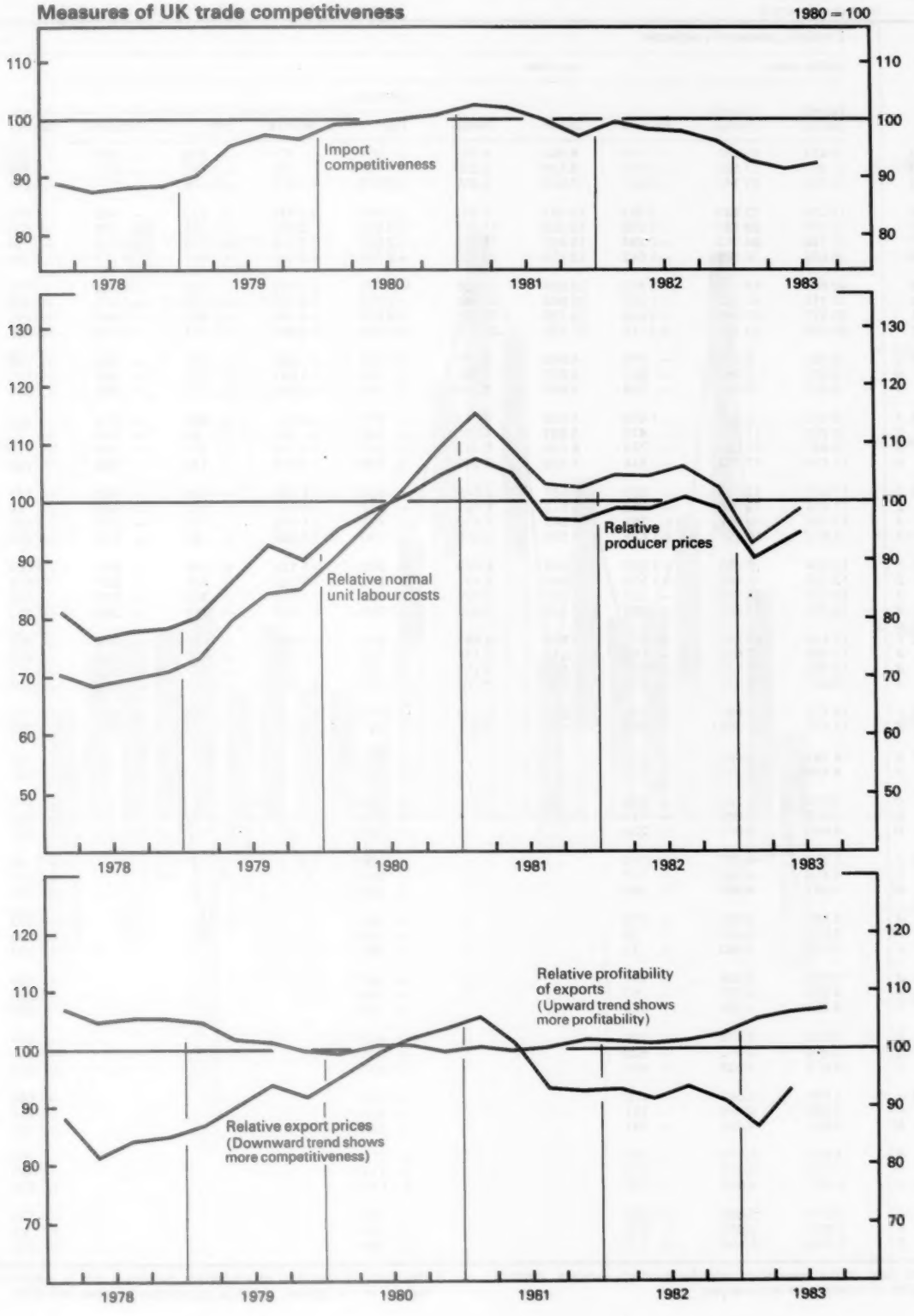
[2] All the indices are in terms of US dollars.

[3] Figures are now base weighted using 1980 export data. Downwards movements indicate greater competitiveness.

[4] Excludes erratics (ships, North Sea installations, aircraft and precious stones).

[5] See footnote [3] to page 40.

**Measures of UK trade competitiveness**



## Balance of payments: current account

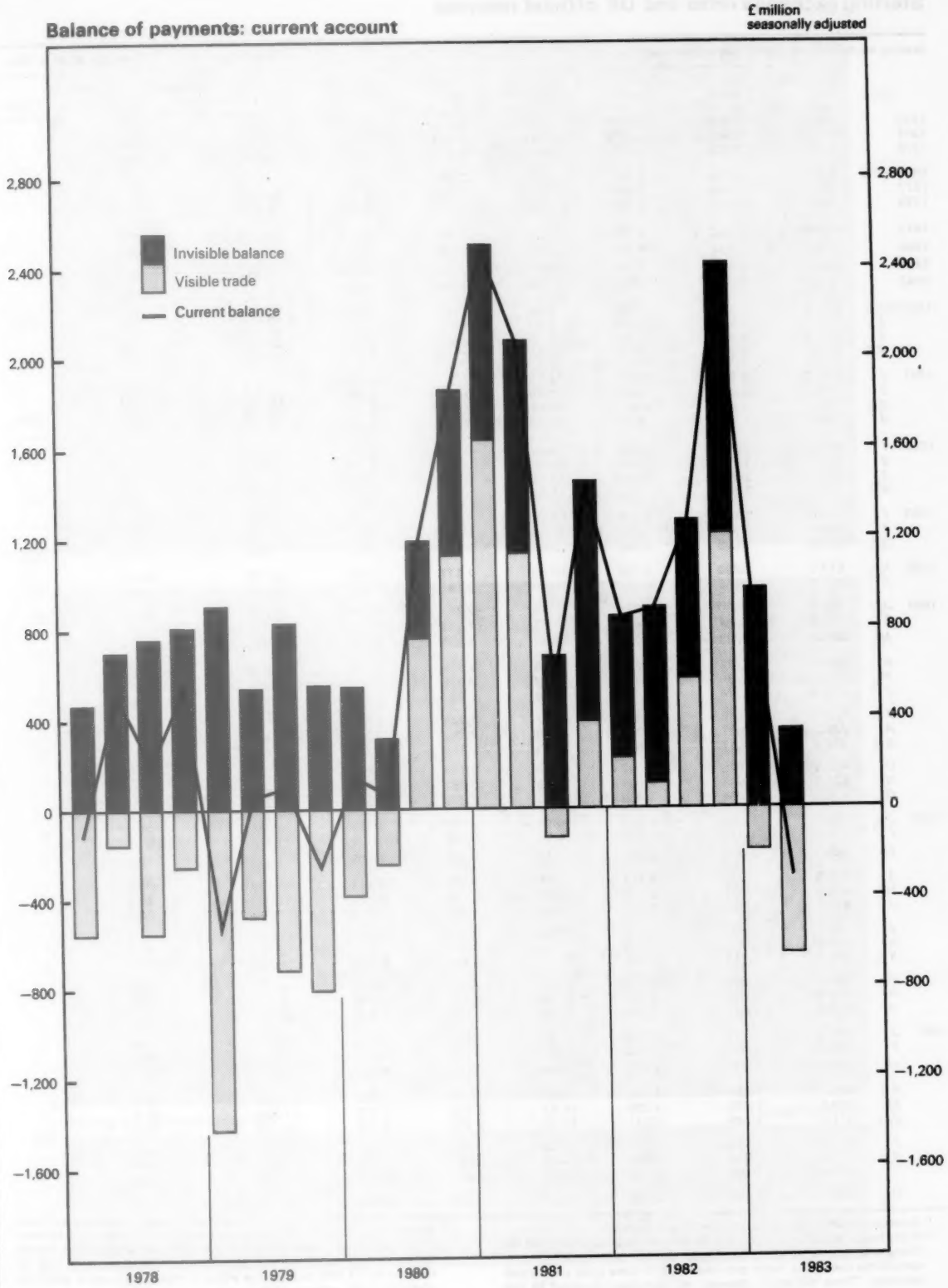
£ million, seasonally adjusted

| | | Visible trade | | | Invisibles | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Balances | | | | |
| | | Exports (f.o.b.) | Imports (f.o.b.) | Balance | Credits | Debits | Total | Services | IPD | Transfers | Current balance |
| 1972 | | 9 437 | 10 185 | − 748 | 6 300 | 5 329 | + 971 | + 701 | + 538 | − 268 | + 223 |
| 1973 | | 11 937 | 14 523 | −2 586 | 8 506 | 6 899 | +1 607 | + 786 | +1 257 | − 436 | − 979 |
| 1974 | | 16 394 | 21 745 | −5 351 | 10 503 | 8 430 | +2 073 | +1 075 | +1 415 | − 417 | −3 278 |
| 1975 | | 19 330 | 22 663 | −3 333 | 11 457 | 9 637 | +1 820 | +1 515 | + 773 | − 468 | −1 513 |
| 1976 | | 25 191 | 29 120 | −3 929 | 15 039 | 11 946 | +3 093 | +2 503 | +1 365 | − 775 | − 836 |
| 1977 | | 31 728 | 34 012 | −2 284 | 16 847 | 14 509 | +2 338 | +3 338 | + 116 | −1 116 | + 54 |
| 1978 | | 35 063 | 36 605 | −1 542 | 19 130 | 16 430 | +2 700 | +3 816 | + 661 | −1 777 | +1 158 |
| 1979 | | 40 687 | 44 136 | −3 449 | 23 804 | 21 008 | +2 796 | +4 071 | + 990 | −2 265 | − 653 |
| 1980 | | 47 415 | 46 182 | +1 233 | 25 943 | 23 941 | +2 002 | +4 267 | − 186 | −2 079 | +3 235 |
| 1981 | | 50 977 | 47 969 | +3 008 | 29 760 | 26 221 | +3 539 | +4 249 | +1 257 | −1 967 | +6 547 |
| 1982 | | 55 546 | 53 427 | +2 119 | 31 724 | 28 415 | +3 309 | +3 844 | +1 577 | −2 112 | +5 428 |
| 1978 | 2 | 8 790 | 8 949 | − 159 | 4 669 | 3 975 | + 694 | + 845 | + 237 | − 388 | + 535 |
| | 3 | 8 854 | 9 411 | − 557 | 4 947 | 4 197 | + 750 | +1 027 | + 185 | − 462 | + 193 |
| | 4 | 9 137 | 9 401 | − 264 | 5 051 | 4 250 | + 801 | +1 030 | + 167 | − 396 | + 537 |
| 1979 | 1 | 8 313 | 9 746 | −1 433 | 5 538 | 4 643 | + 895 | +1 013 | + 388 | − 506 | − 538 |
| | 2 | 10 759 | 11 238 | − 479 | 5 667 | 5 135 | + 532 | + 954 | + 81 | − 503 | + 53 |
| | 3 | 10 497 | 11 220 | − 723 | 6 240 | 5 417 | + 823 | +1 056 | + 377 | − 610 | + 100 |
| | 4 | 11 118 | 11 932 | − 814 | 6 359 | 5 813 | + 546 | +1 048 | + 144 | − 646 | − 268 |
| 1980 | 1 | 11 997 | 12 394 | − 397 | 6 587 | 6 049 | + 538 | +1 101 | − 101 | − 462 | + 141 |
| | 2 | 11 914 | 12 166 | − 252 | 6 572 | 6 261 | + 311 | +1 067 | − 162 | − 594 | + 59 |
| | 3 | 11 692 | 10 931 | + 761 | 6 245 | 5 822 | + 423 | +1 015 | − 13 | − 579 | +1 184 |
| | 4 | 11 812 | 10 691 | +1 121 | 6 539 | 5 809 | + 730 | +1 084 | + 90 | − 444 | +1 851 |
| 1981 | 1 | 11 854 | 10 224 | +1 630 | 6 943 | 6 073 | + 870 | +1 129 | + 245 | − 504 | +2 500 |
| | 2 | 12 229 | 11 103 | +1 126 | 7 084 | 6 137 | + 947 | +1 080 | + 394 | − 527 | +2 073 |
| | 3 | 13 142 | 13 279 | − 137 | 7 594 | 6 928 | + 666 | +1 014 | + 289 | − 637 | + 529 |
| | 4 | 13 752 | 13 363 | + 389 | 8 139 | 7 083 | +1 056 | +1 026 | + 329 | − 299 | +1 445 |
| 1982 | 1 | 13 470 | 13 243 | + 227 | 7 576 | 6 961 | + 615 | +1 061 | + 58 | − 504 | + 842 |
| | 2 | 13 788 | 13 678 | + 110 | 7 933 | 7 149 | + 784 | +1 014 | + 396 | − 626 | + 894 |
| | 3 | 13 702 | 13 135 | + 567 | 7 888 | 7 183 | + 705 | + 835 | + 423 | − 553 | +1 272 |
| | 4 | 14 586 | 13 371 | +1 215 | 8 327 | 7 122 | +1 205 | + 934 | + 700 | − 429 | +2 420 |
| 1983 | 1 | 14 773 | 14 967 | − 194 | 8 307 | 7 334 | + 973 | +1 120 | + 359 | − 506 | + 779 |
| | 2 | 14 677 | 15 331 | − 654 | 8 157 | 7 816 | + 341 | +1 270 | − 279 | − 650 | − 313 |
| 1981 | A | 4 392 | 4 666 | − 274 | .. | .. | + 222[1] | .. | .. | .. | − 52 |
| | S | 4 448 | 4 339 | + 109 | .. | .. | + 222[1] | .. | .. | .. | + 331 |
| | O | 4 600 | 4 280 | + 320 | .. | .. | + 352[1] | .. | .. | .. | + 672 |
| | N | 4 512 | 4 682 | − 170 | .. | .. | + 352[1] | .. | .. | .. | + 182 |
| | D | 4 640 | 4 401 | + 239 | .. | .. | + 352[1] | .. | .. | .. | + 591 |
| 1982 | J | 4 312 | 4 457 | − 145 | .. | .. | + 205[1] | .. | .. | .. | + 60 |
| | F | 4 496 | 4 329 | + 167 | .. | .. | + 205[1] | .. | .. | .. | + 372 |
| | M | 4 662 | 4 457 | + 205 | .. | .. | + 205[1] | .. | .. | .. | + 410 |
| | A | 4 682 | 4 564 | + 118 | .. | .. | + 261[1] | .. | .. | .. | + 379 |
| | M | 4 553 | 4 632 | − 79 | .. | .. | + 262[1] | .. | .. | .. | + 183 |
| | J | 4 553 | 4 482 | + 71 | .. | .. | + 261[1] | .. | .. | .. | + 332 |
| | J | 4 555 | 4 364 | + 191 | .. | .. | + 235[1] | .. | .. | .. | + 426 |
| | A | 4 390 | 4 337 | + 53 | .. | .. | + 235[1] | .. | .. | .. | + 288 |
| | S | 4 757 | 4 434 | + 323 | .. | .. | + 235[1] | .. | .. | .. | + 558 |
| | O | 4 674 | 4 475 | + 199 | .. | .. | + 402[1] | .. | .. | .. | + 601 |
| | N | 4 894 | 4 372 | + 522 | .. | .. | + 401[1] | .. | .. | .. | + 923 |
| | D | 5 018 | 4 524 | + 494 | .. | .. | + 402[1] | .. | .. | .. | + 896 |
| 1983 | J | 4 591 | 5 061 | − 470 | .. | .. | + 324[1] | .. | .. | .. | − 146 |
| | F | 4 895 | 5 016 | − 121 | .. | .. | + 325[1] | .. | .. | .. | + 204 |
| | M | 5 287 | 4 890 | + 397 | .. | .. | + 324[1] | .. | .. | .. | + 721 |
| | A | 4 800 | 5 110 | − 310 | .. | .. | + 114[1] | .. | .. | .. | − 196 |
| | M | 4 770 | 5 276 | − 306 | .. | .. | + 113[1] | .. | .. | .. | − 393 |
| | J | 5 107 | 4 945 | + 162 | .. | .. | + 114[1] | .. | .. | .. | + 276 |
| | J | 4 731 | 5 081 | − 350 | .. | .. | + 160[2] | .. | .. | .. | − 190 |
| | A | 4 926 | 5 064 | − 138 | .. | .. | + 160[2] | .. | .. | .. | + 22 |
| | S | 5 214 | 5 104 | + 110 | .. | .. | + 160[2] | .. | .. | .. | + 270 |

[1] One third of the appropriate calendar quarter's estimate; monthly figures of invisibles are not available.

[2] This figure is one third of a quarterly projection and is subject to revision as the relevant statistical information becomes available.

## Balance of payments: current account



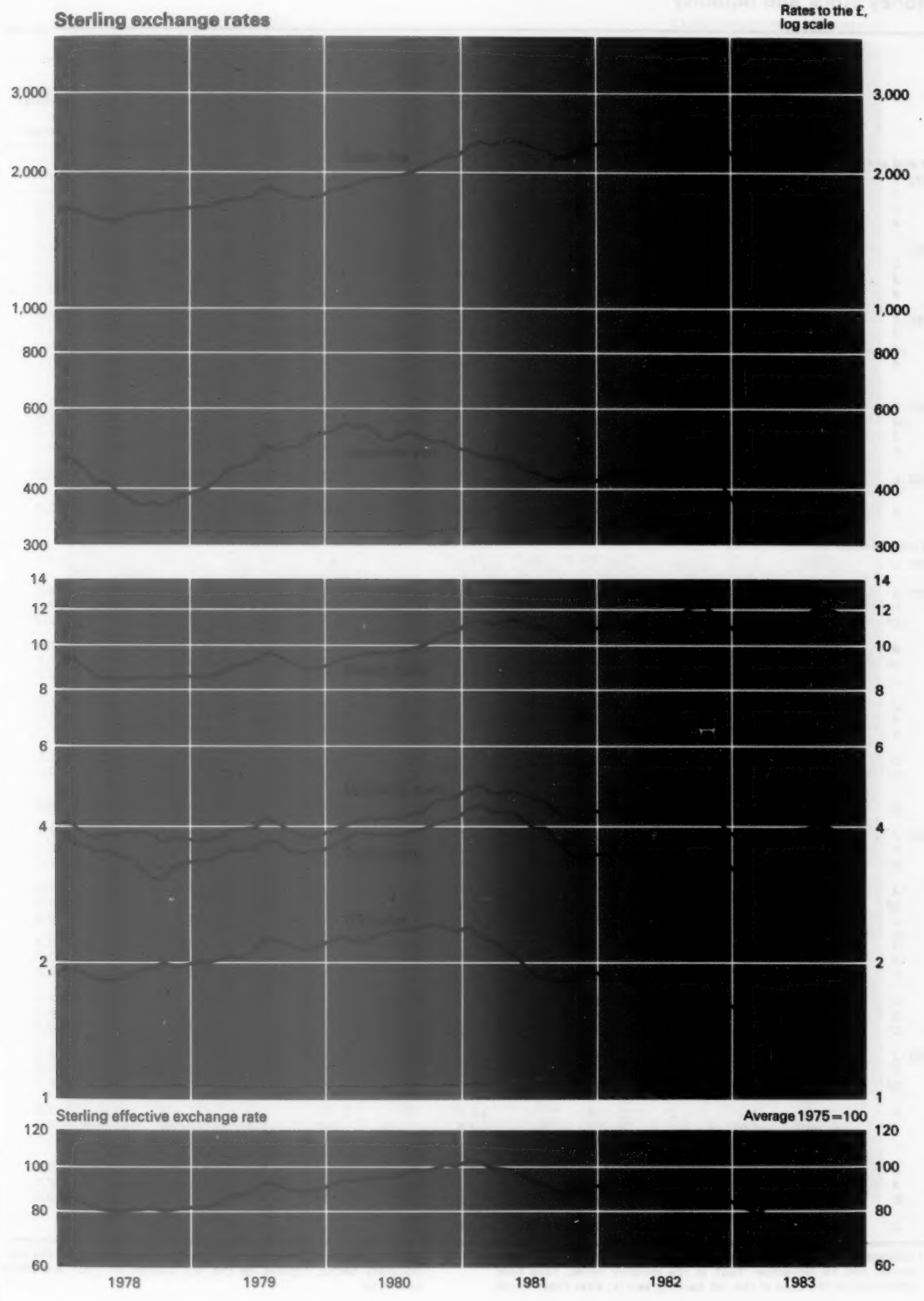

*See footnote [1] on page 48

## Sterling exchange rates and UK official reserves

| | | Sterling exchange rate against major currencies[1] | | | | | | $ million | Average 1975 = 100 |
|---|---|---|---|---|---|---|---|---|---|
| | | Japanese yen | US dollar | Swiss franc | French franc | Italian lira | Deutsche-mark | UK official reserves[2] (at end of period) | Sterling effective exchange rate |
| 1973 | | 664·6 | 2·453 | 7·758 | 10·90 | 1 426 | 6·540 | 6 476 | 111·8 |
| 1974 | | 682·7 | 2·340 | 6·965 | 11·25 | 1 522 | 6·049 | 6 789 | 108·3 |
| 1975 | | 658·1 | 2·220 | 5·723 | 9·50 | 1 447 | 5·447 | 5 429 | 100·0 |
| 1976 | | 535·4 | 1·805 | 4·521 | 8·61 | 1 497 | 4·552 | 4 129 | 85·7 |
| 1977 | | 467·7 | 1·746 | 4·189 | 8·57 | 1 540 | 4·050 | 20 557 | 81·2 |
| 1978 | | 402·7 | 1·920 | 3·423 | 8·64 | 1 628 | 3·850 | 15 694 | 81·5 |
| 1979 | | 465·6 | 2·122 | 3·525 | 9·03 | 1 762 | 3·887 | 22 538 | 87·3 |
| 1980 | | 525·6 | 2·328 | 3·694 | 9·82 | 1 992 | 4·227 | 27 476 | 96·1 |
| 1981 | | 444·6 | 2·025 | 3·969 | 10·94 | 2 287 | 4·556 | 23 347 | 95·3 |
| 1982 | | 435·2 | 1·749 | 3·547 | 11·48 | 2 364 | 4·243 | 16 997 | 90·7 |
| 1980 | *1* | 548·5 | 2·254 | 3·740 | 9·34 | 1 857 | 3·995 | 26 963 | 93·0 |
| | *2* | 528·6 | 2·286 | 3·833 | 9·61 | 1 942 | 4·132 | 28 172 | 94·5 |
| | *3* | 523·2 | 2·382 | 3·885 | 9·81 | 2 008 | 4·226 | 27 637 | 96·7 |
| | *4* | 502·2 | 2·387 | 4·115 | 10·53 | 2 159 | 4·551 | 27 476 | 100·2 |
| 1981 | *1* | 474·7 | 2·309 | 4·376 | 11·21 | 2 311 | 4·814 | 28 212 | 101·8 |
| | *2* | 456·5 | 2·077 | 4·024 | 11·25 | 2 354 | 4·728 | 25 631 | 97·8 |
| | *3* | 425·7 | 1·839 | 3·852 | 10·66 | 2 234 | 4·469 | 23 696 | 90·6 |
| | *4* | 422·6 | 1·883 | 3·441 | 10·64 | 2 253 | 4·226 | 23 347 | 89·7 |
| 1982 | *1* | 431·7 | 1·845 | 3·459 | 11·07 | 2 331 | 4·331 | 18 969 | 91·2 |
| | *2* | 434·3 | 1·779 | 3·548 | 11·18 | 2 350 | 4·232 | 17 703 | 90·3 |
| | *3* | 446·4 | 1·725 | 3·644 | 11·98 | 2 404 | 4·280 | 18 299 | 91·5 |
| | *4* | 428·2 | 1·650 | 3·532 | 11·68 | 2 369 | 4·129 | 16 997 | 89·1 |
| 1983 | *1* | 360·5 | 1·530 | 3·085 | 10·54 | 2 143 | 3·684 | 17 337 | 80·5 |
| | *2* | 369·2 | 1·555 | 3·227 | 11·62 | 2 298 | 3·867 | 17 714 | 84·3 |
| | *3* | 363·8 | 1·509 | 3·242 | 12·02 | 2 376 | 3·990 | 17 902 | 84·9 |
| 1980 | *N* | 510·1 | 2·396 | 4·135 | 10·63 | 2 177 | 4·593 | 28 189 | 101·1 |
| | *D* | 491·1 | 2·346 | 4·184 | 10·70 | 2 194 | 4·620 | 27 476 | 100·2 |
| 1981 | *J* | 485·9 | 2·405 | 4·376 | 11·16 | 2 289 | 4·829 | 28 394 | 103·2 |
| | *F* | 471·8 | 2·294 | 4·469 | 11·42 | 2 343 | 4·921 | 28 434 | 102·5 |
| | *M* | 466·6 | 2·233 | 4·292 | 11·09 | 2 303 | 4·703 | 28 212 | 99·7 |
| | *A* | 467·9 | 2·179 | 4·292 | 11·13 | 2 345 | 4·707 | 28 066 | 99·2 |
| | *M* | 461·0 | 2·090 | 4·312 | 11·47 | 2 386 | 4·793 | 26 487 | 98·8 |
| | *J* | 442·3 | 1·974 | 4·090 | 11·16 | 2 333 | 4·691 | 25 631 | 95·4 |
| | *J* | 435·2 | 1·876 | 3·932 | 10·87 | 2 278 | 4·577 | 24 568 | 92·5 |
| | *A* | 425·2 | 1·821 | 3·953 | 10·89 | 2 267 | 4·558 | 24 511 | 91·2 |
| | *S* | 416·8 | 1·817 | 3·680 | 10·25 | 2 159 | 4·279 | 23 696 | 88·1 |
| | *O* | 426·4 | 1·843 | 3·467 | 10·36 | 2 196 | 4·145 | 23 316 | 88·2 |
| | *N* | 424·8 | 1·904 | 3·398 | 10·69 | 2 267 | 4·237 | 23 463 | 90·1 |
| | *D* | 416·5 | 1·905 | 3·458 | 10·89 | 2 300 | 4·301 | 23 347 | 90·7 |
| 1982 | *J* | 423·8 | 1·887 | 3·477 | 10·99 | 2 317 | 4·326 | 23 225 | 91·2 |
| | *F* | 435·1 | 1·847 | 3·497 | 11·12 | 2 338 | 4·372 | 23 373 | 91·5 |
| | *M* | 435·6 | 1·807 | 3·411 | 11·10 | 2 337 | 4·299 | 18 969 | 90·8 |
| | *A* | 431·9 | 1·772 | 3·472 | 11·05 | 2 339 | 4·242 | 18 159 | 90·0 |
| | *M* | 428·8 | 1·812 | 3·528 | 10·89 | 2 321 | 4·183 | 17 820 | 89·9 |
| | *J* | 441·2 | 1·758 | 3·635 | 11·54 | 2 385 | 4·265 | 17 703 | 90·9 |
| | *J* | 442·1 | 1·735 | 3·635 | 11·89 | 2 397 | 4·277 | 17 943 | 91·2 |
| | *A* | 446·6 | 1·727 | 3·635 | 11·94 | 2 400 | 4·276 | 18 113 | 91·5 |
| | *S* | 450·4 | 1·714 | 3·662 | 12·11 | 2 415 | 4·288 | 18 299 | 91·7 |
| | *O* | 460·1 | 1·698 | 3·683 | 12·13 | 2 442 | 4·293 | 18 493 | 92·5 |
| | *N* | 432·0 | 1·633 | 3·586 | 11·79 | 2 400 | 4·173 | 18 006 | 89·5 |
| | *D* | 392·4 | 1·619 | 3·324 | 11·11 | 2 265 | 3·919 | 16 997 | 85·4 |
| 1983 | *J* | 366·0 | 1·573 | 3·093 | 10·68 | 2 162 | 3·759 | 16 854 | 81·9 |
| | *F* | 361·5 | 1·533 | 3·089 | 10·54 | 2 142 | 3·717 | 16 578 | 80·7 |
| | *M* | 354·9 | 1·491 | 3·075 | 10·44 | 2 128 | 3·589 | 17 337 | 79·1 |
| | *A* | 366·2 | 1·541 | 3·168 | 11·28 | 2 238 | 3·761 | 17 656 | 82·8 |
| | *M* | 369·2 | 1·573 | 3·236 | 11·67 | 2 308 | 3·879 | 17 924 | 84·9 |
| | *J* | 371·8 | 1·549 | 3·271 | 11·87 | 2 340 | 3·948 | 17 714 | 85·2 |
| | *J* | 367·3 | 1·528 | 3·235 | 11·89 | 2 340 | 3·954 | 17 940 | 84·8 |
| | *A* | 367·0 | 1·502 | 3·250 | 12·08 | 2 386 | 4·015 | 18 009 | 85·1 |
| | *S* | 363·3 | 1·498 | 3·242 | 12·08 | 2 400 | 3·998 | 17 902 | 84·8 |
| | *O* | 348·6 | 1·497 | 3·160 | 11·90 | 2 368 | 3·896 | 18 102 | 83·4 |

[1] Average of daily Telegraphic Transfer rates in London.

[2] Apart from transactions, the level of official reserves is affected by changes in the dollar valuation of gold, Special Drawing Rights and convertible currencies. From end-March 1979 these rates are revised annually. These valuation changes are described in detail in the footnotes of Table 19 of the quarterly balance of payments articles in the March, June, September and December issues of *Economic Trends*. At end-March 1983 the valuation change increased the level of reserves by $1 046 million. The effect of changes in earlier years are given in earlier editions of this table.

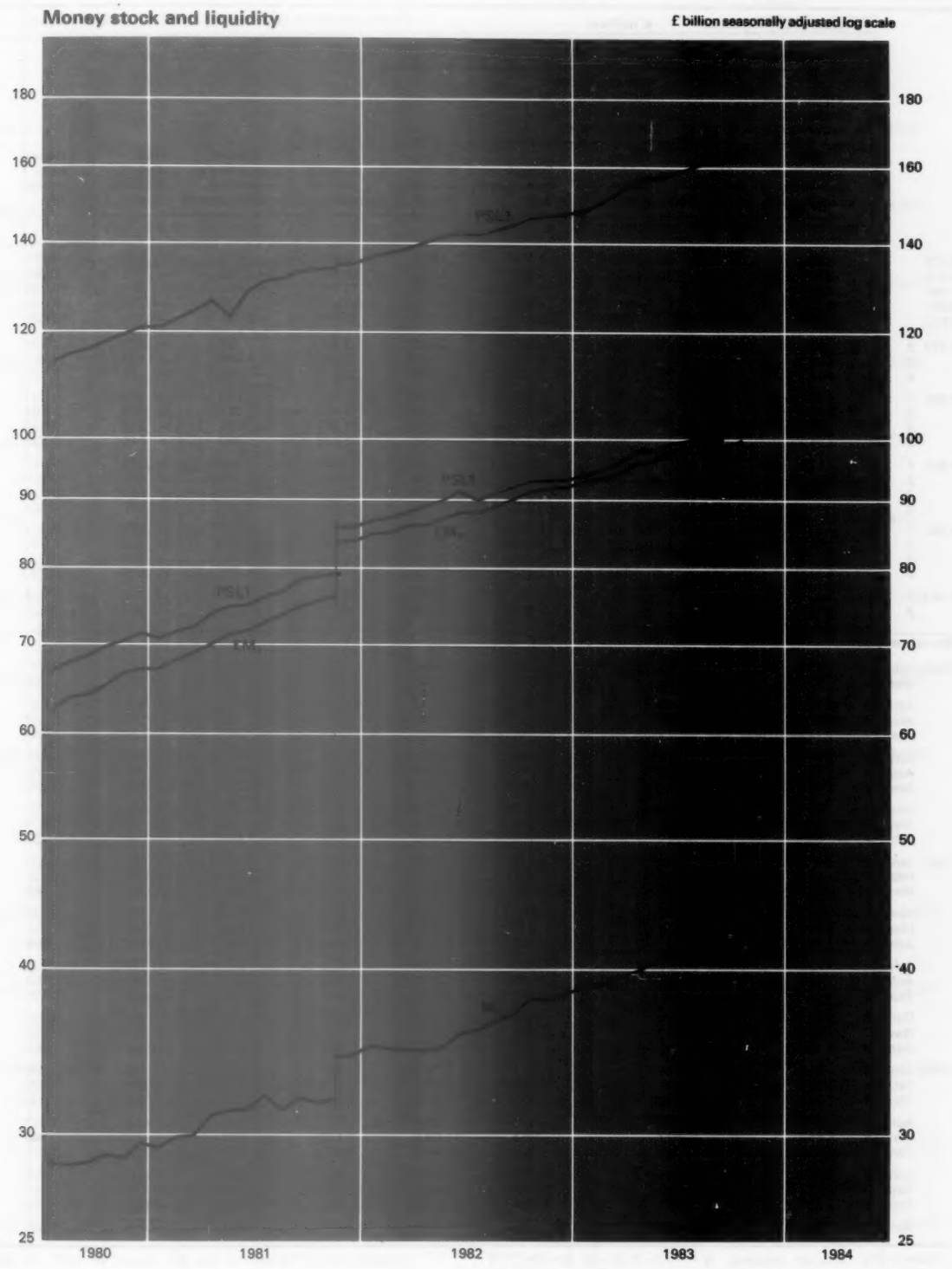

Sterling exchange rates
Rates to the £, log scale
3,000
2,000
1,000
800
600
400
300
14
12
10
8
6
4
2
1
Sterling effective exchange rate
Average 1975=100
120
100
80
60
1978
1979
1980
1981
1982
1983

## Money stock and liquidity

£ million, seasonally adjusted

| | | M1 | | | Sterling M3 | | | PSL1 | | | PSL2 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Amount outstanding | Change | Percentage change | Amount outstanding | Change | Percentage change | Amount outstanding | Change | Percentage change | Amount outstanding | Change | Percentage change |
| **At end period** | | | | | | | | | | | | | |
| 1979 | *1* | 27 430† | 627 | *+2.3* | 52 310† | 1 153 | *+2.3* | 56 153 | 2 413 | *+4.5* | 98 486 | 3 860 | *+4.1* |
| | *2* | 27 940 | 514 | *+1.9* | 54 180 | 1 883 | *+3.6* | 58 530 | 2 385 | *+4.2* | 101 936 | 3 458 | *+3.5* |
| | *3* | 28 750 | 819 | *+2.9* | 55 620 | 1 460 | *+2.7* | 60 389 | 1 880 | *+3.2* | 104 485 | 2 578 | *+2.5* |
| | *4* | 29 270 | 532 | *+1.9* | 57 710 | 2 124 | *+3.8* | 62 505 | 2 151 | *+3.6* | 107 518 | 3 068 | *+2.9* |
| 1980 | *1* | 29 180 | − 84 | *−0.3* | 59 540 | 1 841 | *+3.2* | 64 096 | 1 749 | *+2.8* | 110 504 | 3 144 | *+2.9* |
| | *2* | 29 790 | 613 | *+2.1* | 62 760 | 3 201 | *+5.4* | 67 630 | 3 519 | *+5.5* | 114 694 | 4 175 | *+3.8* |
| | *3* | 29 570 | −223 | *−0.7* | 65 440 | 2 687 | *+4.3* | 69 636 | 2 011 | *+3.0* | 117 766 | 3 077 | *+2.7* |
| | *4* | 30 460 | 897 | *+3.0* | 68 760 | 3 339 | *+5.1* | 72 629 | 3 011 | *+4.3* | 122 031 | 4 282 | *+3.6* |
| 1981 | *1* | 31 720 | 1 246 | *+4.1* | 70 300 | 1 543 | *+2.2* | 73 378 | 836 | *+1.2* | 125 673 | 3 536 | *+2.9* |
| | *2* | 32 780 | 1 051 | *+3.3* | 73 170 | 2 851 | *+4.1* | 76 299 | 2 908 | *+4.0* | 130 305 | 4 619 | *+3.7* |
| | *3* | 33 120 | 339 | *+1.0* | 76 100 | 2 929 | *+4.0* | 79 361 | 3 058 | *+4.0* | 134 183 | 3 874 | *+3.0* |
| | *4* | 33 670 | | *+0.4* | 77 880 | 1 768 | *+2.3* | 80 897 | 1 523 | *+1.9* | 136 079 | 1 883 | *+1.4* |
| | | 35 760 | 549 | *+1.7* | 85 420 | | *+2.2* | 87 303 | | | 136 571 | | |
| 1982 | *1* | 36 630 | 869 | *+2.4* | 87 770 | 2 344 | *+2.7* | 90 149 | 2 932 | *+3.4* | 141 187 | 4 702 | *+3.4* |
| | *2* | 37 500 | 865 | *+2.4* | 89 530 | 1 742 | *+2.0* | 91 553 | 1 386 | *+1.5* | 143 284 | 2 079 | *+1.5* |
| | *3* | 38 050 | 546 | *+1.5* | 90 780 | 1 243 | *+1.4* | 92 923 | 1 371 | *+1.5* | 145 222 | 1 939 | *+1.4* |
| | *4* | 40 130 | 2 076 | *+5.5* | 93 710 | 2 963 | *+3.2* | 94 970 | 1 982 | *+2.1* | 148 536 | 3 249 | *+2.2* |
| 1983 | *1* | 41 600 | 1 461 | | 96 810 | 3 016 | *+3.3* | 99 006 | 3 923 | *+4.1* | 156 388 | 7 739 | *+5 2* |
| | | 41 620 | | *+3.6* | 96 910 | | | | | | | | |
| | *2* | 42 920 | 1 297 | *+3.1* | 99 540 | 2 624 | *+2.7* | 101 173 | 2 160 | *+2.2* | 160 238 | 3 843 | *+2.5* |
| **At mid-month** | | | | | | | | | | | | | |
| 1980 | *D* | 29 490 | 771 | *+2.7* | 66 870 | 693 | *+1.0* | 71 070 | 1 017 | *+1.5* | 120 392 | 1 356 | *+1.1* |
| 1981 | *J* | 29 220 | −258 | *−0.9* | 66 870 | 190 | *+0.3* | 70 414 | −284 | *−0.4* | 120 617 | 400 | *+0.3* |
| | *F* | 29 730 | 509 | *+1.7* | 67 910 | 777 | *+1.2* | 71 269 | 460 | *+0.7* | 122 548 | 1 536 | *+1.3* |
| | *M* | 29 820 | 91 | *+0.3* | 68 730 | 790 | *+1.2* | 71 968 | 655 | *+0.9* | 124 087 | 1 495 | *+1.2* |
| | *A* | 30 990 | 1 159 | *+3.9* | 69 840 | 1 151 | *+1.7* | 73 567 | 1 637 | *+2.3* | 126 354 | 2 305 | *+1.9* |
| | *M* | 31 190 | 198 | *+0.6* | 70 910 | 1 041 | *+1.5* | 74 364 | 770 | *+1.0* | 127 776 | 1 395 | *+1.1* |
| | *J* | 31 210 | 19 | *+0.1* | 71 390 | 452 | *+0.6* | 74 683 | 300 | *+0.4* | 128 664 | 869 | *+0.7* |
| | *J* | 32 040 | 828 | *+2.7* | 72 450 | 1 105 | *+1.5* | 75 791 | 1 155 | *+1.5* | 130 219 | 1 602 | *+1.2* |
| | *A* | 31 260 | −775 | *−2.4* | 73 180 | 662 | *+0.9* | 76 491 | 644 | *+0.8* | 131 071 | 796 | *+0.6* |
| | *S* | 31 890 | 635 | *+2.0* | 74 440 | 1 322 | *+1.8* | 78 020 | 1 591 | *+2.1* | 132 944 | 1 935 | *+1.5* |
| | *O* | 31 650 | −245 | *−0.8* | 75 020 | 729 | *+1.0* | 78 379 | 513 | *+0.7* | 133 514 | 724 | *+0.5* |
| | *N*[1] | 31 870 | 226 | *+0.7* | 75 880 | 675 | *+0.9* | 78 775 | 224 | *+0.3* | 134 048 | 362 | *+0.3* |
| | | 34 260 | — | — | 83 040 | — | — | 85 119 | | | 134 472 | | |
| | *D* | 34 300 | 45 | *+0.1* | 83 220 | 223 | *+0.3* | 85 350 | 549 | *+0.6* | 134 761 | 607 | *+0.5* |
| 1982 | *J* | 34 890 | 589 | *+1.7* | 84 190 | 1 092 | *+1.3* | 86 260 | 1 061 | *+1.2* | 136 152 | 1 542 | *+1.1* |
| | *F* | 34 750 | −137 | *−0.4* | 84 660 | 336 | *+0.4* | 86 670 | 333 | *+0.4* | 137 238 | 1 009 | *+0.7* |
| | *M* | 34 710 | − 41 | *−0.1* | 85 510 | 868 | *+1.0* | 87 590 | 960 | *+1.1* | 138 651 | 1 453 | *+1.1* |
| | *A* | 34 620 | − 85 | *−0.2* | 85 790 | 446 | *+0.5* | 88 511 | 1 084 | *+1.2* | 139 846 | 1 358 | *+1.0* |
| | *M* | 34 790 | 168 | *+0.5* | 86 850 | 857 | *+1.0* | 89 201 | 493 | *+0.6* | 140 771 | 728 | *+0.5* |
| | *J* | 35 650 | 863 | *+2.5* | 87 680 | 889 | *+1.0* | 89 940 | 795 | *+0.9* | 141 774 | 1 059 | *+0.8* |
| | *J* | 35 800 | 157 | *+0.4* | 87 610 | 132 | *+0.2* | 89 596 | −141 | *−0.2* | 141 298 | −273 | *−0.2* |
| | *A* | 36 460 | 657 | *+1.8* | 88 700 | 903 | *+1.0* | 90 707 | 931 | *+1.0* | 142 539 | 1 061 | *+0.8* |
| | *S* | 36 830 | 388 | *+1.1* | 89 750 | 1 130 | *+1.3* | 91 881 | 1 261 | *+1.4* | 144 096 | 1 644 | *+1.2* |
| | *O* | 37 800 | 980 | *+2.7* | 90 940 | 1 229 | *+1.4* | 92 732 | 909 | *+1.0* | 145 452 | 1 414 | *+1.0* |
| | *N* | 37 790 | .. 1 | — | 91 250 | 265 | *+0.3* | 92 640 | −133 | *−0.1* | 145 856 | 363 | *+0.2* |
| | *D* | 38 190 | 410 | *+1.1* | 91 670 | 494 | *+0.5* | 92 874 | 321 | *+0.3* | 146 282 | 513 | *+0.4* |
| 1983 | *J* | 38 510 | 359 | *+0.9* | 92 440† | 798† | *+0.9* | 93 316 | 514 | *+0.6* | 147 547 | 1 337 | *+0.9* |
| | *F* | 38 760 | 257 | *+0.7* | 92 950 | 623 | *+0.7* | 94 148 | 962 | *+1.0* | 149 713 | 2 296 | *+1.6* |
| | *M* | 39 210 | 464 | *+1.2* | 93 880 | 945 | *+1.0* | 95 455 | 1 331 | *+1.4* | 152 231 | 2 542 | *+1.7* |
| | *A* | 39 660 | 463 | *+1.2* | 95 450 | 1 577 | *+1.7* | 97 605 | 2 170 | *+2.3* | 155 324 | 3 113 | *+2.0* |
| | *M* | 40 210 | 578 | *+1.5* | 95 950 | 540 | *+0.6* | 97 854 | 300 | *+0.3* | 156 085 | 812 | *+0.5* |
| | *J* | 41 140† | 954 | *+2.4* | 97 520 | 1 611 | *+1.7* | 98 977 | 1 166 | *+1.2* | 157 697 | 1 655 | *+1.1* |
| | *J* | 40 960 | −153 | *−0.4* | 98 300 | 796 | *+0.8* | 99 290 | 367 | *+0.4* | 159 058 | 1 415 | *+0.9* |
| | *A* | 41 290 | 347† | *+0.8* | 98 420 | 157 | *+0.2* | 99 866 | 638 | *+0.6* | 160 290 | 1 294 | *+0.8* |
| | *S* | 41 200 | − 82 | *−0.2* | 98 020 | −460 | *−0.5* | 99 732 | −169 | *−0.2* | 160 617 | 292 | *+0.2* |
| | *O* | 41 810 | 633 | *+1.5* | 99 450 | 1 427 | *+1.5* | | | | | | |

[1] Changes up to and including the 4th quarter of 1981 in the quarterly series, and 18 November 1981 in the monthly series, have been calculated on the basis of the old banking sector; after those dates, changes in each series have been calculated on the basis of the new monetary sector. Figures for the 4th quarter of 1981 are partly estimated.


Money stock and liquidity
£ billion seasonally adjusted log scale
180
160
140
120
100
90
80
70
60
50
40
30
25
PSL2
PSL1
M4
1980
1981
1982
1983
1984

## Counterparts to changes in money stock[1]

**Seasonally adjusted[2] £ million**

| | Domestic counterparts | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Public sector borrowing requirement | | Net acquisition of public sector debt by UK non-bank private sector | | | | | | |
| | Central government borrowing requirement | Other public sector contribution | Other public sector debt | Central government debt | Sterling lending to UK private sector[3] | Sub-total of domestic counterparts | External and foreign currency counterparts | Non-deposit liabilities (net) | Money stock sterling $M_3$ |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1978 | 8 308 | — 27 | —359 | 6 359 | 4 698 | 6 979 | 678 | — 920 | 6 737 |
| 1979 | 10 375 | 2263 | 1 020 | 9 895 | 8 585 | 10 308 | —3 159 | — 553 | 6 596 |
| 1980 | 11 096 | 1103 | 261 | 9 185 | 10 025 | 12 778 | — 454 | —1 391 | 10 933 |
| 1981 | 10 231 | 399 | —901 | 12 058 | 11 182 | 10 878 | 235 | —1 734 | 9 379 |
| 1982 | 7 785 | —2 359 | —394 | 10 833 | 17 558 | 12 545 | —2 351 | —2 159 | 8 035 |
| 1979 *2* | 2 828 | —179 | 316 | 2 907 | 2 045 | 2 103 | 55 | — 275 | 1 883 |
| *3* | 2 805 | 925 | 629 | 1 701 | 1 994 | 3 394 | —1 745 | — 189 | 1 460 |
| *4* | 3 165 | 262 | 239 | 2 139 | 1 981 | 3 030 | — 884 | — 22 | 2 124 |
| 1980 *1* | 296 | 385 | 289 | 1 515 | 3 424 | 2 301 | 135 | — 595 | 1 841 |
| *2* | 2 968 | 563 | 300 | 1 723 | 2 278 | 3 786 | — 287 | — 298 | 3 201 |
| *3* | 3 620 | 412 | — 31 | 3 138 | 2 655 | 3 580 | — 561 | — 332 | 2 687 |
| *4* | 4 212 | —257 | —297 | 2 692 | 1 668 | 3 228 | 259 | — 148 | 3 339 |
| 1981 *1* | 2 128 | — 65 | —450 | 3 902 | 2 321 | 932 | 989 | — 378 | 1 543 |
| *2* | 5 251 | 624 | — 93 | 3 265 | 678 | 3 381 | — 33 | — 497 | 2 851 |
| *3* | 2 804 | —274 | —107 | 1 726 | 2 984 | 3 895 | — 413 | — 553 | 2 929 |
| *4* | 48 | 105 | —251 | 3 225 | 5 199 | 2 378 | — 299 | — 311 | 1 768 |
| 1982 *1* | — 299 | 474 | — 65 | 3 486 | 6 048 | 2 802 | — 163 | — 295 | 2 344 |
| *2* | 1 206 | 47 | —126 | 1 146 | 3 271 | 3 504 | —1 329 | — 433 | 1 742 |
| *3* | 2 461 | —1 038 | 91 | 4 034 | 5 216 | 2 514 | — 457 | — 814 | 1 243 |
| *4* | 4 417 | —1 842 | —294 | 2 130 | 3 246 | 3 985 | — 402 | — 620 | 2 963 |
| 1983 *1* | 4 525 | —852 | —30 | 1 154 | 2 086 | 4 635 | — 875 | — 744 | 3 016 |
| *2* | 3 161 | —1 178 | —221 | 2 259 | 3 162 | 3 107 | 422 | — 905 | 2 624 |
| **Month ended** | | | | | | | | | |
| 1981 Feb. 18 | 857 | — 52 | | 1 151 | 753 | 407 | 517 | — 147 | 777 |
| Mar. 18 | 931 | 146 | | 1 730 | 1 058 | 405 | 439 | — 54 | 790 |
| April 15 | 2 141 | 45 | | 938 | 0 | 1 248 | — 259 | 162 | 1 151 |
| May 20 | 1 772 | 652 | | 1 420 | 145 | 1 149 | 39 | — 147 | 1 041 |
| June 17 | 1 743 | — 77 | | 990 | 369 | 1 045 | — 270 | — 323 | 452 |
| July 15 | 2 467 | —245 | | 566 | — 91 | 1 565 | — 167 | — 293 | 1 105 |
| Aug. 19 | — 120 | 166 | | 965 | 1 806 | 887 | — 159 | — 66 | 662 |
| Sept. 16 | 1 583 | —137 | | 225 | 742 | 1 963 | — 352 | — 289 | 1 322 |
| Oct. 21 | 723 | 538 | | 1 312 | 636 | 585 | 57 | 87 | 729 |
| Nov. 18 | — 757 | 185 | | 1 546 | 2 709 | 591 | — 2 | 86 | 675 |
| Dec. 9 | — 690 | —217 | | 322 | 1 618 | 389 | — 294 | 128 | 223 |
| 1982 Jan. 20 | — 402 | 356 | | 1 102 | 1 987 | 839 | 403 | — 150 | 1 092 |
| Feb. 17 | 172 | — 90 | | 1 154 | 2 029 | 957 | — 462 | — 159 | 336 |
| Mar. 17 | 148 | 190 | | 1 427 | 1 939 | 850 | 199 | — 181 | 868 |
| April 21 | — 347 | 397 | | 571 | 1 574 | 1 053 | — 398 | — 209 | 446 |
| May 19 | 1 069 | 118 | | 575 | 1 070 | 1 682 | — 539 | — 286 | 857 |
| June 16 | 1 109 | —361 | | 400 | 1 045 | 1 393 | — 254 | — 250 | 889 |
| July 21 | 723 | 34 | | 1 325 | 1 399 | 831 | — 909† | 210† | 132 |
| Aug. 18 | 1 107 | —378 | | 895 | 1 501 | 1 335 | — 161 | — 281 | 903 |
| Sept. 15 | 1 343 | —375 | | 1 162 | 1 647 | 1 453 | 172 | — 495 | 1 130 |
| Oct. 20 | 1 027 | —310 | | 866 | 1 890 | 1 741 | — 122 | — 390 | 1 229 |
| Nov. 17 | 999 | —635 | | 1 004 | 1 121 | 481 | 191 | — 407 | 265 |
| Dec. 8 | 52 | —232 | | 261 | 1 039† | 598† | 51 | — 155 | 494 |
| 1983 Jan. 19 | 316 | —124 | | 821 | 1 186 | 557 | 306 | — 65 | 798† |
| Feb 16 | 1 378 | — 37 | | 864 | 1 097 | 1 574 | — 686 | — 265 | 623 |
| Mar. 16 | 1 924 | —773 | | 277 | 635 | 1 509 | 234 | — 798 | 945 |
| April 20 | 1 738 | — 44 | | 316 | 199 | 1 577 | 105 | — 105 | 1 577 |
| May 18 | 1 669 | —597 | | 967 | 1 087 | 1 192 | — 234 | — 418 | 540 |
| June 15 | 1 308 | —430 | | 856 | 1 560 | 1 582 | — 199 | 228 | 1 611 |
| July 20 | 1 772 | —275 | | 1 101 | 299 | 695 | — 119 | 220 | 796 |
| Aug. 17 | 827† | —280 | | 1 119† | 1 191 | 619 | — 348 | — 116 | 157 |
| Sept. 21 | 830 | 647 | | 2 138 | 895 | 234 | 252 | — 946 | — 460 |
| Oct. 19 | 1 178 | —617 | | 778 | 1 576 | 1 359 | — 421 | 489 | 1 427 |

Relationship between columns: 6 = 1+2−3−4+5; 9 = 5+7+8 (The figures combined in the bracket are column 2 *less* column 3.)

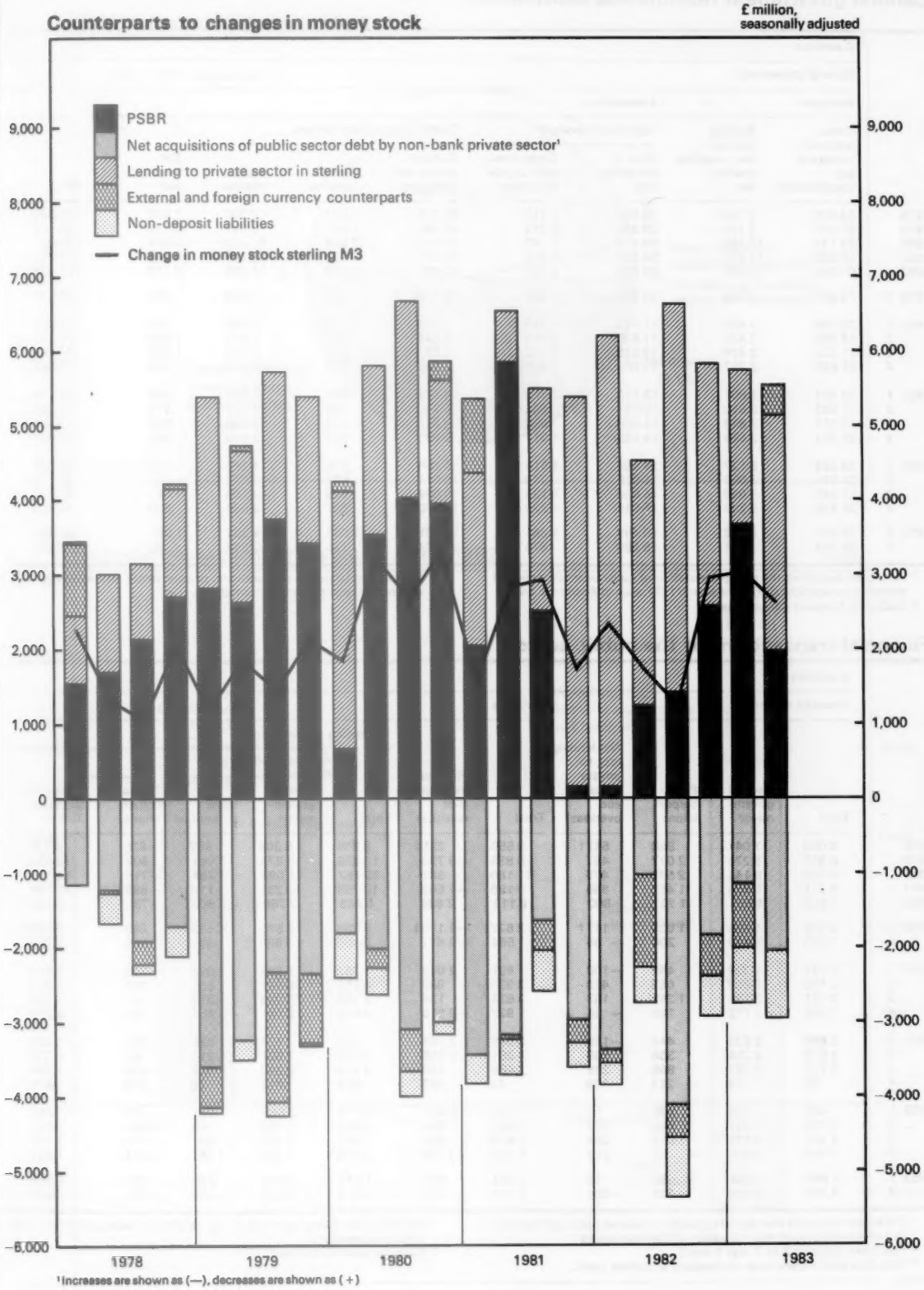
[1] Changes up to and including the 4th quarter of 1981 in the quarterly series, and 18 November 1981 in the monthly series, have been calculated on the basis of the old banking sector; after those dates, changes in each series have been calculated on the basis of the new monetary sector. Figures for the 4th quarter of 1981 are partly estimated.

[2] The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.

[3] Banking sector lending *plus* Bank of England Issue Department holdings of commercial bills.

## Counterparts to changes in money stock

£ million, seasonally adjusted




¹ Increases are shown as (—), decreases are shown as (+)

## General government receipts and expenditure[1]

£ million

| | General government | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Receipts[2] | | Expenditure | | | | | | |
| | Taxes, national insurance, etc. contributions | Trading income rent, royalties interest, etc. | Goods and services | | Current and capital tranfers | | | Net lending. etc[3] | Total |
| | | | Final consumption | Gross domestic capital formation | Current grants and subsidies | Capital transfers | Debt interest | | |
| 1978 | 56 425 | 6 792 | 33 071 | 4 717 | 23 235 | 2 028 | 7 207 | 1 690 | 71 948 |
| 1979 | 67 437 | 8 181 | 38 361 | 5 213 | 27 461 | 1 897 | 8 961 | 3 273 | 85 166 |
| 1980 | 82 144 | 10 100 | 48 419 | 5 742 | 32 610 | 2 254 | 11 363 | 3 469 | 103 857 |
| 1981 | 95 382 | 11 271 | 54 538 | 4 612 | 38 647 | 2 493 | 13 218 | 2 552 | 116 060 |
| 1982 | 107 088 | 12 601 | 60 082 | 4 594 | 43 465 | 2 874 | 14 265 | 2 718 | 127 998 |
| 1979 *4* | 18 247 | 2 028 | 10 293 | 1 355 | 7 379 | 493 | 2 165 | 992 | 22 677 |
| 1980 *1* | 20 706 | 2 439 | 11 163 | 1 740 | 7 833 | 586 | 3 155 | 152 | 24 629 |
| *2* | 18 496 | 2 420 | 11 630 | 1 128 | 8 144 | 522 | 2 344 | 1 434 | 25 202 |
| *3* | 21 322 | 2 474 | 12 526 | 1 393 | 8 127 | 620 | 3 318 | 1 159 | 27 143 |
| *4* | 21 620 | 2 767 | 13 100 | 1 481 | 8 506 | 526 | 2 546 | 724 | 26 883 |
| 1981 *1* | 23 409 | 2 801 | 13 210 | 1 709 | 9 179 | 671 | 3 666 | 339 | 28 774 |
| *2* | 21 063 | 2 690 | 13 097 | 906 | 9 798 | 522 | 2 684 | 875 | 27 882 |
| *3* | 25 317 | 2 895 | 14 068 | 980 | 9 835 | 623 | 3 958 | 886 | 30 350 |
| *4* | 25 593 | 2 885 | 14 163 | 1 017 | 9 835 | 677 | 2 910 | 452 | 29 054 |
| 1982 *1* | 28 329 | 3 137 | 14 688 | 1 514 | 10 288 | 814 | 4 265 | 638 | 32 207 |
| *2* | 24 594 | 3 083 | 14 828 | 719 | 10 911 | 534 | 3 012 | 195 | 30 199 |
| *3* | 27 287 | 3 098 | 15 030 | 1 133 | 10 836 | 629 | 4 108 | 1 051 | 32 787 |
| *4* | 26 878 | 3 283 | 15 536 | 1 228 | 11 430 | 897 | 2 880 | 834 | 32 805 |
| 1983 *1* | 30 201 | 3 272 | 16 490 | 1 881 | 11 701 | 1 033 | 4 232 | 1 020 | 36 357 |
| *2* | 25 324 | 3 021 | 15 880 | 876 | 11 954 | 735 | 2 966 | 82 | 32 493 |

[1] An article describing the new presentation of government income and expenditure was published in the March 1977 issue of *Economic Trends*.
[2] Excluding financial transactions.
[3] Net lending to public corporations, private sector and oversees; cash expenditure on company securities, etc. (net).

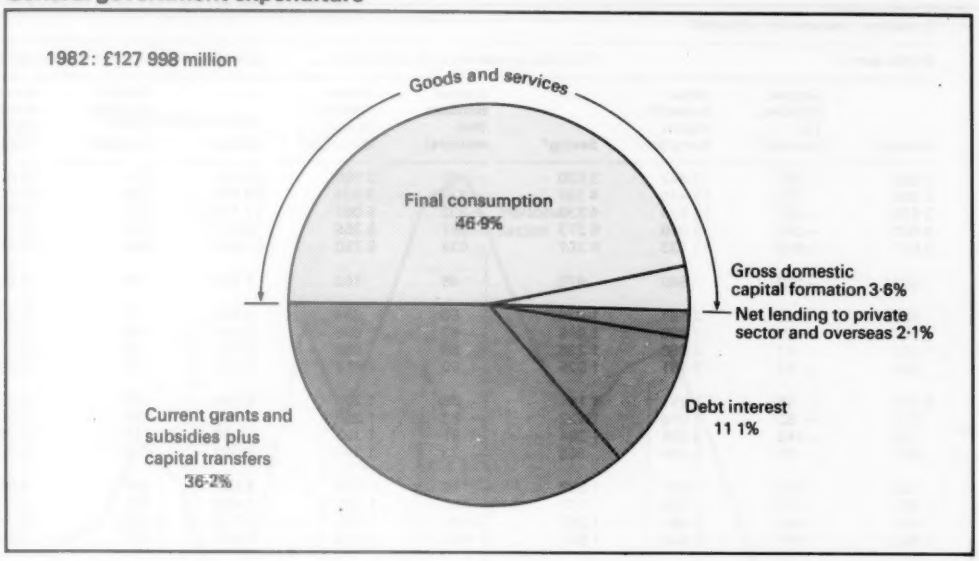
## Financial transactions of the public sector

£ million

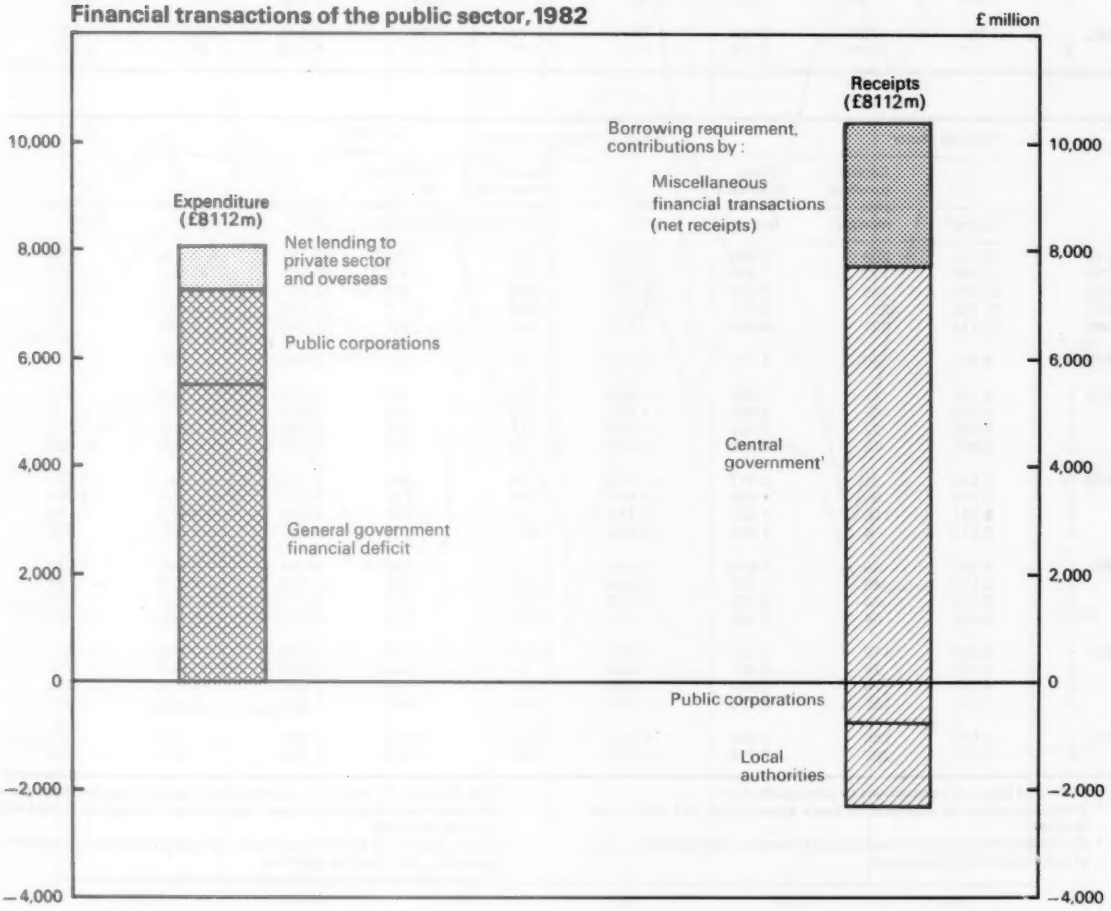
| | Financial deficit[1] | | | | Receipts | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Borrowing requirement | | | |
| | | | | | | | | Contributions by: | | |
| | Total | General government[2] | Public corporations | Net lending etc., to private sector and oversees[3] | Total | Financial transactions (net receipts) | Total | Central government[4] | Local authorities | Public corporations | Seasonally adjusted Total[5] |
| 1978 | 8 009 | 7 041 | 968 | 547† | 8 556 | 221† | 8 335 | 8 308 | 662 | −635 | 8 335 |
| 1979 | 8 352 | 6 275 | 2 077 | 487 | 8 839 | −3 799 | 12 638 | 10 375 | 1 761 | 502 | 12 638 |
| 1980 | 10 705 | 8 144 | 2 561 | 475 | 11 180 | − 987 | 12 167 | 11 096 | 1 785 | −714 | 12 167 |
| 1981 | 8 311 | 6 855 | 1 456 | 885 | 9 196 | −1 562 | 10 758 | 10 231 | 1 116 | −589 | 10 758 |
| 1982 | 7 312 | 5 591 | 1 721 | 800 | 8 112 | 2 664 | 5 448† | 7 785 | −1 605 | −732† | 5 448† |
| 1979 *3* | 2 505 | 1 466 | 1 039 | 117† | 2 622† | −1 173† | 3 795 | 2 875 | 632 | 288 | 3 253† |
| *4* | 1 610 | 1 410 | 200 | − 56 | 1 554 | −2 411 | 3 965 | 3 500 | 351 | 114 | 3 253 |
| 1980 *1* | 1 791 | 1 332 | 459 | −100 | 1 691 | 2 943 | − 1 252 | − 1 882 | 1 395 | −765 | 1 052 |
| *2* | 3 505 | 2 852 | 653 | 428 | 3 933 | − 880 | 4 813 | 4 542 | 536 | −265 | 3 909 |
| *3* | 3 451 | 2 188 | 1 263 | 183 | 3 634 | − 134 | 3 768 | 3 295 | 312 | 161 | 3 936 |
| *4* | 1 958 | 1 772 | 186 | − 36 | 1 922 | −2 916 | 4 838 | 5 141 | − 458 | 155 | 3 270 |
| 1981 *1* | 2 669 | 2 225 | 444 | −129 | 2 540 | 2 768 | − 228 | − 127 | 576 | −677 | 2 350 |
| *2* | 3 612 | 3 254 | 358 | 589 | 4 201 | −3 655 | 7 856 | 7 501 | 313 | 42 | 6 272 |
| *3* | 2 120 | 1 252 | 868 | 286 | 2 406 | 190 | 2 216 | 2 240 | 305 | −329 | 2 710 |
| *4* | − 90 | 124 | − 214 | 139 | 49 | − 865 | 914 | 617 | − 78 | 375 | −574 |
| 1982 *1* | 402 | 103 | 299 | 17 | 419 | 2 592 | − 2 173 | − 2 663 | 505 | − 15 | 486 |
| *2* | 2 796 | 2 327 | 469 | 307 | 3 103 | 241 | 2 862 | 3 098 | 48 | −284 | 1 651 |
| *3* | 2 366 | 1 351 | 1 015 | 264 | 2 630 | 949 | 1 681 | 2 497 | − 697 | −119 | 1 774 |
| *4* | 1 748 | 1 810 | − 62 | 212 | 1 960 | −1 118 | 3 078† | 4 853 | −1 461 | −314† | 1 537 |
| 1983 *1* | 1 959 | 1 864 | 95 | 93 | 2 052 | 507 | 1 545 | 2 166 | − 229 | −392 | 4 558 |
| *2* | 4 397 | 4 066 | 331 | −254 | 4 143 | 324 | 3 819 | 5 456 | − 915 | −722 | 2 228 |

[1] The excess of current and capital expenditure over receipts; corresponds to a negative figure of 'net acquisition of financial assets'.
[2] Top table, columns 3 to 7, *less* 1 and 2.
[3] Including cash expenditure on company securities (net).
[4] Including borrowing matched by on-lending to local authorities and public corporations.
[5] Calendar year constrained.

## General government expenditure




## Financial transactions of the public sector, 1982




¹Including borrowing matched by on-lending to local authorities and public corporations.

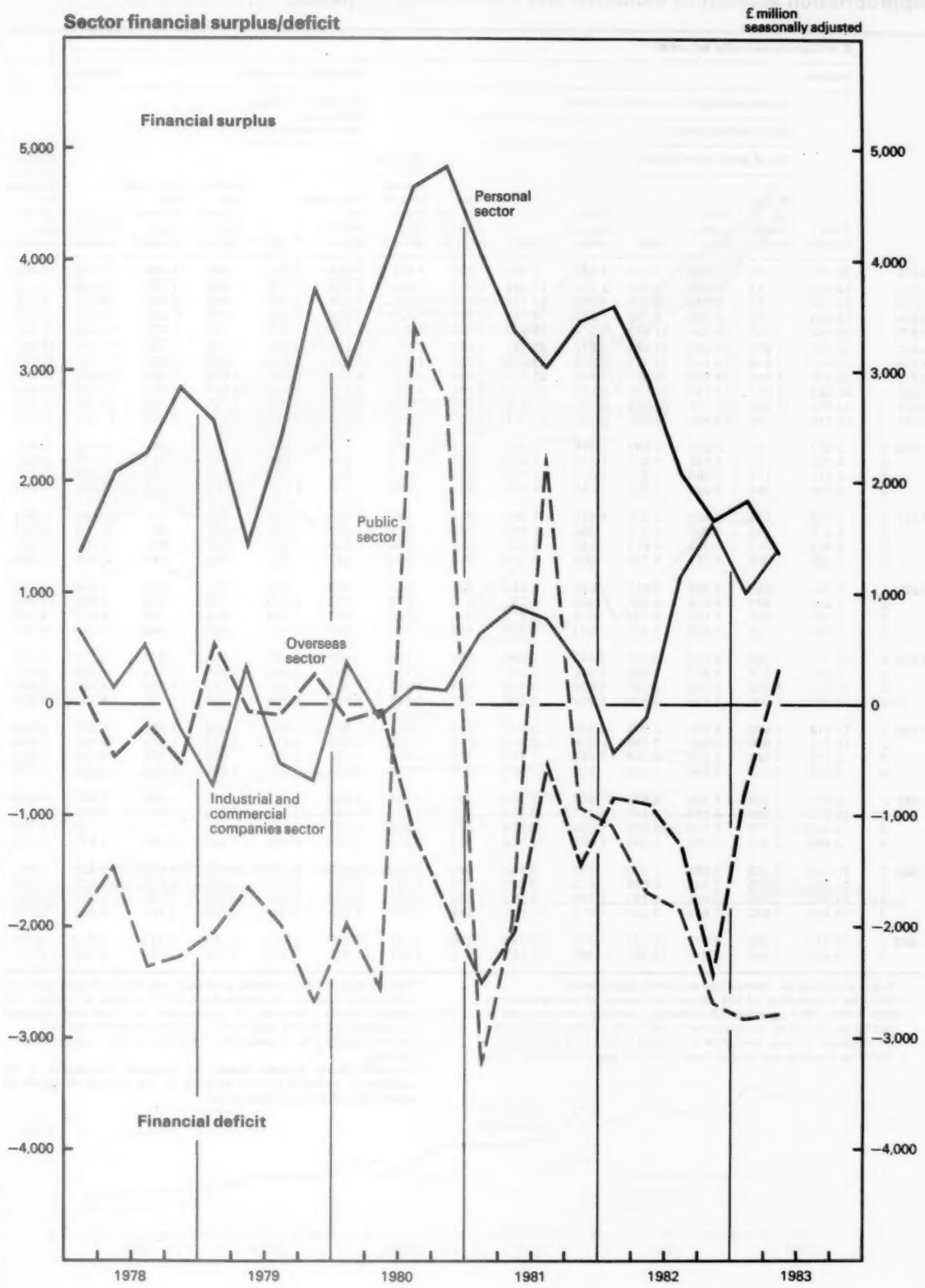
## Summary capital accounts and financial surplus or deficit: analysis by sector

£ million, seasonally adjusted

| | Public sector[1] | | | Financial companies and institutions | | | Industrial and commercial companies | | |
|---|---|---|---|---|---|---|---|---|---|
| | Saving[2] | Capital transfers (net receipts) | Gross domestic capital formation[3] | Saving[2] | Capital transfers (net receipts) | Gross domestic capital formation[3] | Saving[2] | Capital transfers (net receipts) | Gross domestic capital formation[3] |
| 1978 | 2 523 | −590 | 9 942 | 3 020 | − 83 | 3 160 | 17 431 | 374 | 16 822 |
| 1979 | 3 360 | −264 | 11 448 | 4 391 | −237 | 3 924 | 20 907 | 234 | 22 808 |
| 1980 | 2 629 | −360 | 12 974 | 4 833 | −302 | 5 087 | 17 102 | 387 | 16 931 |
| 1981 | 4 002 | −245 | 12 068 | 5 273 | −567 | 5 359 | 18 467 | 591 | 16 343 |
| 1982 | 6 087 | −666 | 12 733 | 6 381 | −439 | 5 750 | 17 653 | 584 | 15 980 |
| 1978 *4* | 392† | −123 | 2 549 | 975 | − 45 | 752 | 4 210 | 88 | 4 508 |
| 1979 *1* | 685 | − 66 | 2 687 | 1 030 | − 50 | 854 | 4 605 | 81 | 5 387 |
| *2* | 1 167 | − 89 | 2 700 | 1 048 | − 67 | 1 096 | 5 496 | 104 | 5 259 |
| *3* | 1 142 | − 57 | 3 080 | 1 238 | − 60 | 956 | 5 663 | 85 | 6 271 |
| *4* | 366 | − 52 | 2 981 | 1 075 | − 60 | 1 018 | 5 143 | 54 | 5 891 |
| 1980 *1* | 1 339 | − 68 | 3 251 | 1 191 | − 65 | 1 204 | 5 635 | 62 | 5 277 |
| *2* | 514 | − 82 | 3 019 | 1 422 | − 83 | 1 218 | 4 798 | 80 | 4 987 |
| *3* | 89 | −149 | 3 358 | 1 264 | − 81 | 1 305 | 3 467 | 115 | 3 441 |
| *4* | 687 | − 61 | 3 346 | 956 | − 73 | 1 360 | 3 202 | 130 | 3 226 |
| 1981 *1* | 45 | −108 | 3 201 | 1 202 | − 70 | 1 189 | 4 001 | 139 | 3 502 |
| *2* | 1 301 | −118 | 3 079 | 1 177 | − 85 | 1 321 | 4 449 | 155 | 3 701 |
| *3* | 768 | −166 | 2 842 | 1 257 | − 80 | 1 431 | 5 170 | 166 | 4 540 |
| *4* | 1 888 | 147 | 2 946 | 1 637 | −332 | 1 418 | 4 847 | 131 | 4 600 |
| 1982 *1* | 2 285 | −172 | 3 208 | 1 166 | −136 | 1 463 | 3 463 | 196 | 4 069 |
| *2* | 1 356 | − 37 | 3 013 | 1 613 | −115 | 1 464 | 4 122 | 78 | 4 302 |
| *3* | 1 518 | −150 | 3 207 | 1 804 | −101 | 1 539 | 4 770 | 77 | 3 712 |
| *4* | 928 | −307 | 3 305 | 1 798 | − 87 | 1 284 | 5 298 | 233 | 3 897 |
| 1983 *1* | 1 191 | −371 | 3 634 | 1 733 | − 34 | 1 531 | 5 278 | 250 | 4 505 |
| *2* | 717 | −191 | 3 305 | 1 716 | −107 | 1 481 | 5 728 | 91 | 4 396 |

| | Personal sector | | | Financial Surplus/Deficit[4] | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Saving[2] | Capital transfers (net receipts) | Gross domestic capital formation[3] | Public sector | Financial companies and institutions | Industrial and commercial companies | Personal sector | Oversees sector[5] | Residual error[6] |
| 1978 | 13 723 | 299 | 5 860 | −8 009 | −223 | 983 | 8 162 | −1 158 | 245 |
| 1979 | 17 545 | 177 | 7 598 | −8 352 | +230 | −1 577 | 10 124 | 653 | −1 078 |
| 1980 | 23 730 | 275 | 7 648 | −10 705 | −556 | 558 | 16 357 | −3 235 | −2 419 |
| 1981 | 21 734 | 221 | 8 031 | −8 311 | −653 | 2 715 | 13 924 | −6 547 | −1 128 |
| 1982 | 20 174 | 521 | 10 454 | −7 312 | 192 | 2 257 | 10 241 | −5 428 | 50 |
| 1978 *4* | 4 351 | 80 | 1 581 | −2 280† | 178 | − 210 | 2 850 | − 537 | − 1† |
| 1979 *1* | 4 149 | 35 | 1 626 | −2 068 | 126 | − 701 | 2 558 | 538 | − 453 |
| *2* | 3 226 | 52 | 1 865 | −1 622 | −115 | 341 | 1 413 | − 53 | 36 |
| *3* | 4 268 | 32 | 1 902 | −1 995 | 222 | − 523 | 2 398 | − 100 | − 2 |
| *4* | 5 902 | 58 | 2 205 | −2 667 | − 3 | − 694 | 3 755 | 268 | − 659 |
| 1980 *1* | 5 024 | 71 | 2 077 | −1 980 | − 78 | 420 | 3 018 | − 141 | −1 239 |
| *2* | 5 718 | 85 | 1 966 | −2 587 | 121 | − 109 | 3 837 | − 59 | −1 203 |
| *3* | 6 471 | 115 | 1 920 | −3 418 | −122 | 141 | 4 666 | −1 184 | − 83 |
| *4* | 6 517 | 4 | 1 685 | −2 720 | −477 | 106 | 4 836 | −1 851 | 106 |
| 1981 *1* | 5 945 | 39 | 1 900 | −3 264 | − 57 | 638 | 4 084 | −2 500 | 1 099 |
| *2* | 5 115 | 48 | 1 787 | −1 896 | −229 | 903 | 3 376 | −2 073 | − 81 |
| *3* | 5 113 | 80 | 2 176 | −2 240 | −254 | 796 | 3 017 | − 529 | − 790 |
| *4* | 5 561 | 54 | 2 168 | − 911 | −113 | 378 | 3 447 | −1 445 | −1 356 |
| 1982 *1* | 5 895 | 112 | 2 417 | −1 095 | −433 | − 410 | 3 590 | − 842 | − 810 |
| *2* | 5 461 | 74 | 2 601 | −1 694 | 34 | − 102 | 2 934 | − 894 | − 278 |
| *3* | 4 542 | 174 | 2 651 | −1 839 | 164 | 1 135 | 2 065 | −1 272 | − 253 |
| *4* | 4 276 | 161 | 2 785 | −2 684 | 427 | 1 634 | 1 652 | −2 420 | 1 391 |
| 1983 *1* | 4 579 | 155 | 2 895 | −2 814 | 168 | 1 023 | 1 839 | − 779 | 563 |
| *2* | 3 921 | 207 | 2 778 | −2 779 | 128 | 1 423 | 1 350 | 313 | − 435 |

[1] Excluding financial transactions in writing-off debt.
[2] Before providing for depreciation stock appreciation and addition to reserves.
[3] Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.
[4] This balance is equal to savings *plus* capital transfer *less* gross domestic fixed capital formation, *less* increase in value of stocks and work in progress.
[5] Equals, apart from the change in sign, the current balance of payments accounts, *plus* capital transfers.
[6] The residual error in the national income accounts.


Sector financial surplus/deficit
£ million
seasonally adjusted
Financial surplus
5,000
4,000
3,000
2,000
1,000
0
−1,000
−2,000
−3,000
−4,000
Financial deficit
Personal sector
Public sector
Overseas sector
Industrial and commercial companies sector
1978
1979
1980
1981
1982
1983

## Appropriation account of industrial and commercial companies

£ million, seasonally adjusted

| | Income | | | | | | | | Allocation of income | | | | Balance | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Income arising in the United Kingdom | | | | | | | | Dividends, interest and current transfer payments | | | | | |
| | Gross trading profits | | | | | | | | | | | | | |
| | Net of stock appreciation | | | | | | | | | | | | | |
| | Total income | N. Sea oil companies | Other companies | Total | Stock appreciation | Total[1] | Rent and non-trading income | Income from abroad (net of taxes paid abroad) | Dividends on ordinary shares[2] | Other[2,3] | Profits due abroad (net of UK tax) | UK taxes on income (payments)[4] | Undistributed income[5] | Undistributed income adjusted for unremitted profits[5,6] |
| 1972 | 10 419 | 50 | 7 655 | 7 705 | 1 082 | 8 787 | 606 | 1 026 | 1 524 | 1 533 | 549 | 1 030 | 5 783 | 5 709 |
| 1973 | 14 004 | 33 | 8 768 | 8 801 | 2 261 | 11 062 | 1 002 | 1 940 | 1 638 | 2 401 | 646 | 1 303 | 8 016 | 7 623 |
| 1974 | 16 199 | −17 | 8 043 | 8 026 | 4 744 | 12 770 | 1 288 | 2 141 | 1 469 | 3 382 | 506 | 2 075 | 8 767 | 8 236 |
| 1975 | 15 963 | −50 | 8 835 | 8 785 | 4 252 | 13 037 | 1 301 | 1 625 | 1 508 | 3 363 | 422 | 1 631 | 9 039 | 8 416 |
| 1976 | 20 363 | 527 | 10 530 | 11 057 | 5 372 | 16 429 | 1 562 | 2 372 | 1 795 | 3 938 | 724 | 1 377 | 12 529 | 11 402 |
| 1977 | 25 319 | 1 971 | 15 593 | 17 564 | 3 977 | 21 541 | 1 434 | 2 344 | 2 144 | 4 093 | 1 729 | 2 336 | 15 017 | 15 082 |
| 1978 | 29 477 | 2 614 | 19 103 | 21 717 | 3 376 | 25 093 | 1 728 | 2 656 | 2 591 | 4 423 | 1 980 | 3 052 | 17 431 | 17 393 |
| 1979 | 38 994 | 5 249 | 18 833 | 24 082 | 7 195 | 31 277 | 2 444 | 5 273 | 4 169 | 6 122 | 3 808 | 3 988 | 20 907 | 21 913 |
| 1980 | 40 193 | 8 057 | 19 142 | 27 199 | 5 193 | 32 392 | 3 161 | 4 640 | 4 173 | 8 807 | 4 609 | 5 502 | 17 102 | 17 994 |
| 1981 | 43 918 | 10 865 | 20 094 | 30 959 | 4 545 | 35 504 | 3 382 | 5 032 | 4 582 | 9 108 | 4 335 | 7 426 | 18 467 | 18 248 |
| 1982 | 46 248 | 12 708 | 22 187 | 34 895 | 3 065 | 37 960 | 3 710 | 4 578 | 5 723 | 9 936 | 4 146 | 8 790 | 17 653 | 17 634 |
| 1976 *1* | 4 487 | 53 | 2 510 | 2 563 | 1 044 | 3 607 | 334 | 546 | 415 | 850 | 192 | 208 | 2 822 | 2 554 |
| *2* | 4 754 | 93 | 2 364 | 2 457 | 1 358 | 3 815 | 368 | 571 | 445 | 889 | 130 | 313 | 2 977 | 2 665 |
| *3* | 5 118 | 117 | 2 560 | 2 677 | 1 425 | 4 102 | 393 | 623 | 486 | 1 002 | 189 | 403 | 3 038 | 2 690 |
| *4* | 6 004 | 264 | 3 096 | 3 360 | 1 545 | 4 905 | 467 | 632 | 449 | 1 197 | 213 | 453 | 3 692 | 3 493 |
| 1977 *1* | 6 538 | 440 | 3 430 | 3 870 | 1 416 | 5 286 | 434 | 638 | 464 | 1 161 | 362 | 487 | 3 884 | 3 834 |
| *2* | 6 278 | 505 | 3 850 | 4 355 | 955 | 5 310 | 349 | 619 | 532 | 1 003 | 453 | 587 | 3 703 | 3 723 |
| *3* | 6 453 | 517 | 4 096 | 4 613 | 948 | 5 561 | 338 | 554 | 556 | 1 001 | 474 | 618 | 3 804 | 3 817 |
| *4* | 6 230 | 509 | 4 217 | 4 726 | 658 | 5 384 | 313 | 533 | 592 | 928 | 440 | 644 | 3 626 | 3 708 |
| 1978 *1* | 6 762 | 565 | 4 750 | 5 315 | 529 | 5 844 | 334 | 584 | 526 | 890 | 453 | 659 | 4 234 | 4 288 |
| *2* | 7 322 | 643 | 4 619 | 5 262 | 969 | 6 231 | 415 | 676 | 719 | 1 070 | 433 | 750 | 4 350 | 4 343 |
| *3* | 7 755 | 634 | 5 105 | 5 739 | 874 | 6 613 | 462 | 680 | 660 | 1 153 | 510 | 795 | 4 637 | 4 578 |
| *4* | 7 638 | 772 | 4 629 | 5 401 | 1 004 | 6 405 | 517 | 716 | 686 | 1 310 | 584 | 848 | 4 210 | 4 184 |
| 1979 *1* | 8 412 | 958 | 4 299 | 5 257 | 1 442 | 6 699 | 555 | 1 158 | 846 | 1 369 | 724 | 868 | 4 605 | 4 560 |
| *2* | 9 696 | 1 176 | 4 819 | 5 995 | 1 946 | 7 941 | 572 | 1 183 | 766 | 1 392 | 983 | 1 059 | 5 496 | 5 871 |
| *3* | 10 327 | 1 506 | 4 789 | 6 295 | 1 903 | 8 198 | 642 | 1 487 | 1 005 | 1 597 | 1 038 | 1 024 | 5 663 | 5 964 |
| *4* | 10 559 | 1 609 | 4 926 | 6 535 | 1 904 | 8 439 | 675 | 1 445 | 1 552 | 1 764 | 1 063 | 1 037 | 5 143 | 5 518 |
| 1980 *1* | 11 314 | 1 970 | 4 961 | 6 931 | 2 256 | 9 187 | 756 | 1 371 | 862 | 2 107 | 1 288 | 1 422 | 5 635 | 6 065 |
| *2* | 10 272 | 1 902 | 5 294 | 7 196 | 1 108 | 8 304 | 767 | 1 201 | 1 004 | 2 155 | 1 313 | 1 002 | 4 798 | 5 038 |
| *3* | 9 178 | 1 987 | 4 297 | 6 264 | 1 150 | 7 414 | 791 | 973 | 1 156 | 2 205 | 965 | 1 385 | 3 467 | 3 633 |
| *4* | 9 429 | 2 218 | 4 590 | 6 808 | 679 | 7 487 | 847 | 1 095 | 1 151 | 2 340 | 1 043 | 1 693 | 3 202 | 3 258 |
| 1981 *1* | 9 757 | 2 502 | 4 334 | 6 836 | 957 | 7 793 | 740 | 1 224 | 1 023 | 2 171 | 927 | 1 635 | 4 001 | 3 836 |
| *2* | 10 213 | 2 588 | 4 559 | 7 147 | 1 217 | 8 364 | 755 | 1 094 | 1 248 | 2 110 | 778 | 1 628 | 4 449 | 4 257 |
| *3* | 11 463 | 2 776 | 5 249 | 8 025 | 1 304 | 9 329 | 890 | 1 244 | 1 111 | 2 201 | 1 170 | 1 811 | 5 170 | 5 149 |
| *4* | 12 485 | 2 999 | 5 952 | 8 951 | 1 067 | 10 018 | 997 | 1 470 | 1 200 | 2 626 | 1 460 | 2 352 | 4 847 | 5 006 |
| 1982 *1* | 10 502 | 2 753 | 4 880 | 7 633 | 809 | 8 442 | 990 | 1 070 | 1 423 | 2 513 | 1 070 | 2 033 | 3 463 | 3 347 |
| *2* | 11 324 | 2 863 | 5 952 | 8 815 | 473 | 9 288 | 977 | 1 077 | 1 314 | 2 555 | 998 | 2 353 | 4 122 | 4 200 |
| *3* | 11 950 | 3 395 | 5 802 | 9 197 | 1 765 | 9 962 | 894 | 1 094 | 1 434 | 2 486 | 1 039 | 2 221 | 4 770 | 4 914 |
| *4* | 12 454 | 3 697 | 5 553 | 9 250 | 1 018 | 10 268 | 849 | 1 337 | 1 552 | 2 382 | 1 039 | 2 183 | 5 298 | 5 173 |
| 1983 *1* | 12 972 | 3 899 | 6 172 | 10 071 | 672 | 10 743 | 938 | 1 291 | 1 307 | 2 621 | 1 053 | 2 713 | 5 278 | 5 191 |
| *2* | 13 503 | 3 382 | 7 270 | 10 652 | 865 | 11 517 | 915 | 1 071 | 1 430 | 2 450 | 1 416 | 2 479 | 5 728 | 6 101 |

[1] Before providing for depreciation and stock appreciation.

[2] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax appear as actual payments, while the advance corporation tax in respect of those dividends is included in UK taxes on income.

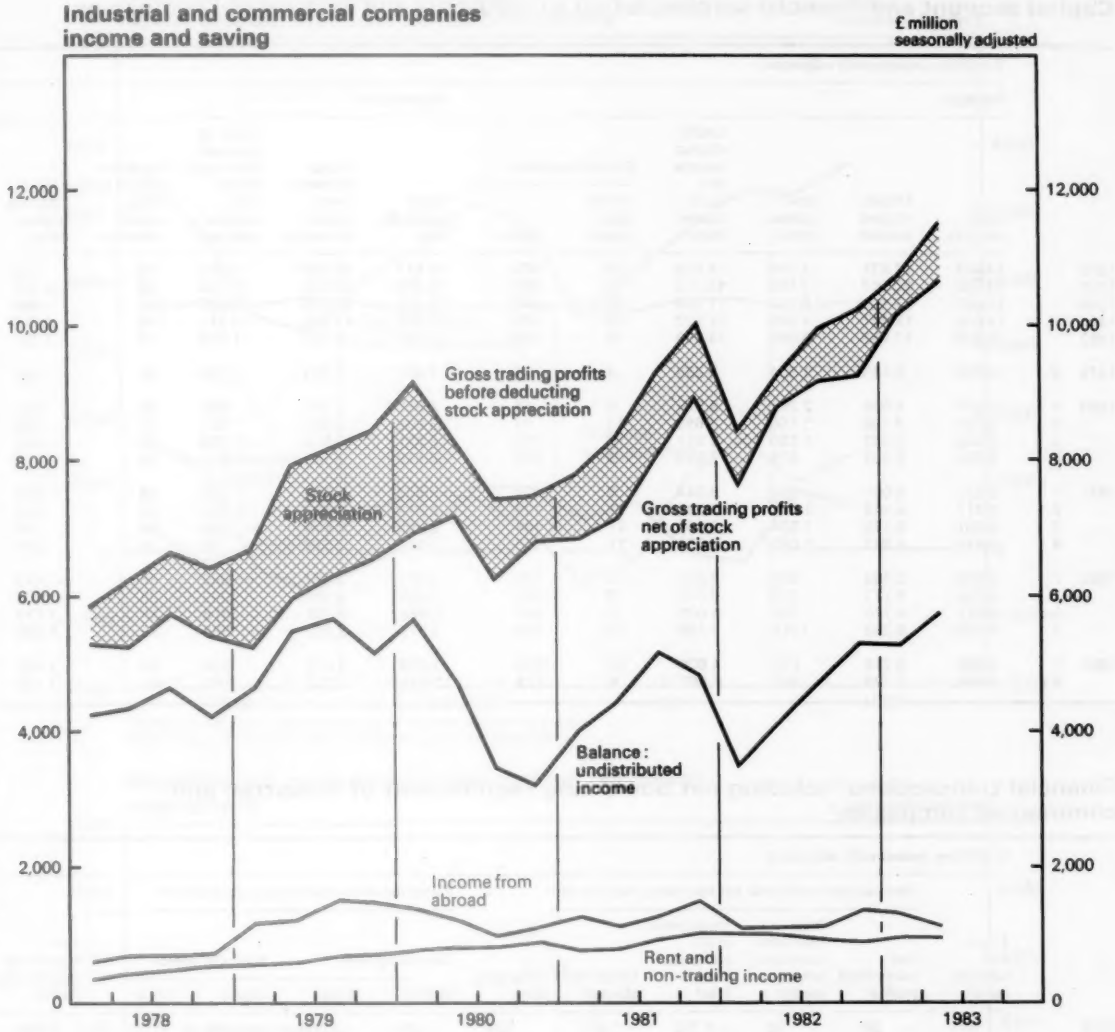
[3] Including royalties and licence fees on oil and gas production.

[4] The residual of all companies' payments and financial companies and institutions' accruals (payments from 1977) of taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973) and petroleum revenue tax.

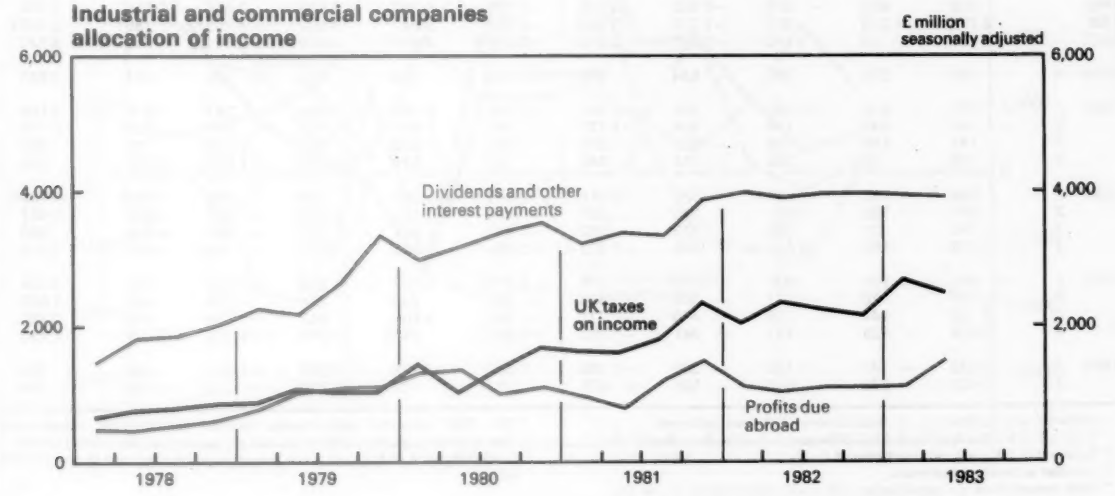
[5] Before providing for depreciation, stock appreciation and additions to reserves.

[6] Excludes profits retained abroad by overseas subsidiaries of UK companies. Includes profits retained in the United Kingdom by subsidiaries of overseas companies.

## Industrial and commercial companies income and saving




## Industrial and commercial companies allocation of income



## Capital account and financial surplus/deficit of industrial and commercial companies

£ million, seasonally adjusted

| | | Receipts | | | | | | Expenditure | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Total receipts | Undistributed income | Stock appreciation | Undistributed income *less* stock appreciation | Capital transfers: Investment grants | Capital transfers: Other | Total expenditure | Gross domestic fixed capital formation | Value of physical increase in stocks and work in progress | Taxes on capital and other capital transfers | Balance: Financial surplus/deficit |
| 1978 | | 14 497 | 17 431 | 3 376 | 14 055 | 33 | 409 | 13 514 | 12 039 | 1 407 | 68 | 983 |
| 1979 | | 14 122 | 20 907 | 7 195 | 13 712 | 21 | 389 | 15 699 | 13 879 | 1 734 | 86 | −1 577 |
| 1980 | | 12 409 | 17 102 | 5 193 | 11 909 | 37 | 463 | 11 851 | 14 765 | −3 027 | 113 | 558 |
| 1981 | | 14 636 | 18 467 | 4 545 | 13 922 | 42 | 672 | 11 921 | 14 509 | −2 711 | 123 | 2 715 |
| 1982 | | 15 239 | 17 653 | 3 065 | 14 588 | 45 | 606 | 12 982 | 14 723 | −1 808 | 67 | 2 257 |
| 1979 | *4* | 3 319 | 5 143 | 1 904 | 3 239 | 4 | 78 | 4 013 | 3 729 | 258 | 26 | − 694 |
| 1980 | *1* | 3 471 | 5 635 | 2 256 | 3 379 | 6 | 86 | 3 051 | 3 614 | − 593 | 30 | 420 |
| | *2* | 3 797 | 4 798 | 1 108 | 3 690 | 10 | 97 | 3 906 | 3 692 | 187 | 27 | − 109 |
| | *3* | 2 462 | 3 467 | 1 150 | 2 317 | 12 | 133 | 2 321 | 3 679 | −1 388 | 30 | 141 |
| | *4* | 2 679 | 3 202 | 679 | 2 523 | 9 | 147 | 2 573 | 3 780 | −1 233 | 26 | 106 |
| 1981 | *1* | 3 211 | 4 001 | 957 | 3 044 | 9 | 158 | 2 573 | 3 690 | −1 145 | 28 | 638 |
| | *2* | 3 417 | 4 449 | 1 217 | 3 232 | 11 | 174 | 2 514 | 3 587 | −1 103 | 30 | 903 |
| | *3* | 4 061 | 5 170 | 1 304 | 3 866 | 11 | 184 | 3 265 | 3 604 | − 368 | 29 | 796 |
| | *4* | 3 947 | 4 847 | 1 067 | 3 780 | 11 | 156 | 3 569 | 3 628 | − 95 | 36 | 378 |
| 1982 | *1* | 2 804 | 3 463 | 809 | 2 654 | 10 | 110 | 3 214 | 3 607 | − 347 | − 46 | − 410 |
| | *2* | 3 762 | 4 122 | 473 | 3 649 | 8 | 105 | 3 865 | 3 589 | 241 | 35 | − 103 |
| | *3* | 4 121 | 4 770 | 765 | 4 005 | 9 | 107 | 2 986 | 3 765 | − 818 | 39 | 1 135 |
| | *4* | 4 552 | 5 298 | 1018 | 4 280 | 18 | 254 | 2 917 | 3 762 | − 884 | 39 | 1 635 |
| 1983 | *1* | 4 890 | 5 278 | 672 | 4 606 | 18 | 266 | 3 868 | 3 599 | 235 | 34 | 1 022 |
| | *2* | 4 995 | 5 728 | 865 | 4 863 | 9 | 123 | 3 572 | 3 713 | − 182 | 41 | 1 423 |

## Financial transactions including net borrowing requirement of industrial and commercial companies[1]

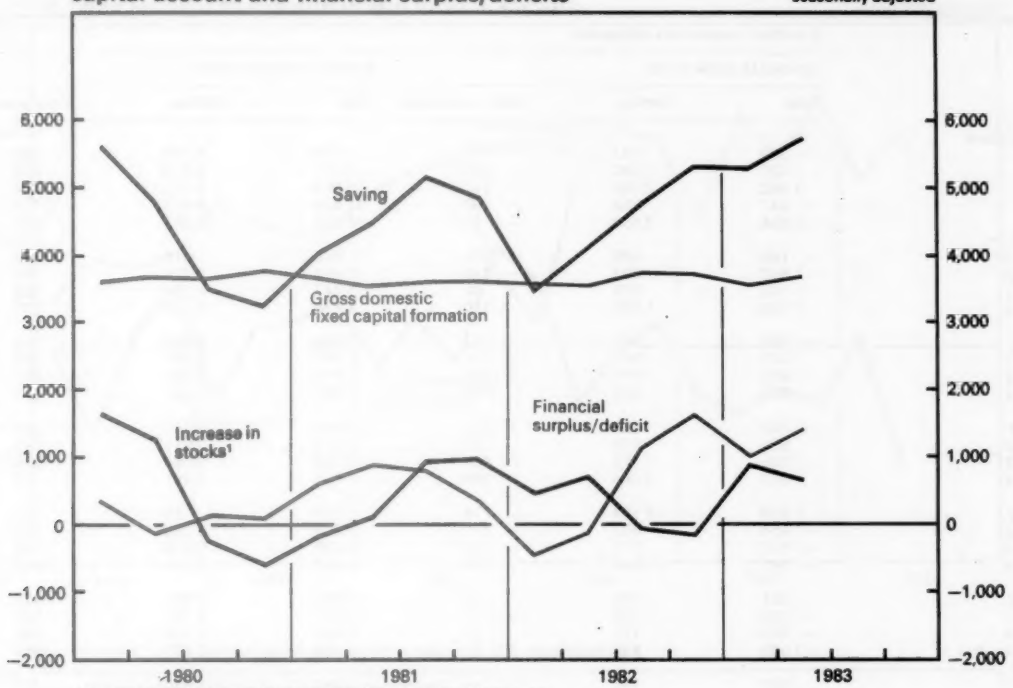
£ million, seasonally adjusted

| | | Transactions leading to net borrowing requirement | | | | | Financing of net borrowing requirement[5] | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Financial surplus/deficit | Net unremitted profits[2] | Net identified trade and other credit[3] | Investment in UK company securities[4] | Investment abroad | Balancing item | Borrowing from: Banks[6] | Borrowing from: Other | Financial assets: Liquid | Financial assets: Other | Net borrowing requirement (NBR) |
| 1978 | | 983 | − 38 | − 65 | −1 382 | −1 971 | 374 | 2 394 | 2 009 | −2 355 | 51 | 2 099 |
| 1979 | | −1 577 | 1 006 | 1 828 | −1 780 | −3 312 | −1 524 | 3 981 | 2 046 | − 705 | 37 | 5 359 |
| 1980 | | 558 | 892 | − 875 | −1 623 | −3 025 | −1 772 | 6 340 | 3 533 | −3 554 | −474 | 5 845 |
| 1981 | | 2 715 | − 219 | 603 | −1 230 | −3 694 | −1 972 | 5 847 | 4 537 | −4 799† | −1 785† | 3 800† |
| 1982 | | 2 257 | − 19 | −1 140 | −1 541 | −2 833 | −5 356† | 6 307† | 3 469 | −2 654 | 1 510 | 8 632 |
| 1979 | *4* | − 694 | 375 | 282 | − 534 | − 732 | − 530 | 798 | 356 | − 122 | 801 | 1 833 |
| 1980 | *1* | 420 | 430 | −1 499 | − 349 | −1 062 | −1 104 | 2 751 | 563 | 367 | −517 | 3 164 |
| | *2* | − 109 | 240 | 146 | − 354 | −1 179 | − 462 | 1 680 | 708 | − 217 | −453 | 1 718 |
| | *3* | 141 | 166 | 126 | − 603 | − 236 | − 352 | 1 478 | 929 | −1 740 | 91 | 758 |
| | *4* | 106 | 56 | 355 | − 317 | − 548 | 66 | 431 | 1 333 | −1 887 | 405 | 282 |
| 1981 | *1* | 638 | − 165 | −1 041† | − 322 | −1 018 | 2 107† | 1 057 | 197 | −1 313 | −140† | − 199† |
| | *2* | 903 | − 192 | 2 831 | − 240 | − 891 | − 924 | −1 342 | 2 092 | −1 397 | −840 | −1 487 |
| | *3* | 796 | − 21 | 358 | − 279 | − 762 | −1 032 | 1 921 | 1 134 | −1 851 | −264 | 940 |
| | *4* | 378 | 159 | −1 546 | − 389 | −1 023 | −2 084 | 3 988 | 1 114 | − 56† | −541 | 4 505 |
| 1982 | *1* | − 410 | − 116 | 837 | − 355 | − 771 | −2 679 | 3 537 | 1 314 | −1 596 | 239 | 3 494 |
| | *2* | − 102 | 78 | −1 311 | − 405 | − 498 | + 309 | 743 | 791 | 679 | −284 | 1 929 |
| | *3* | 1 135 | 144 | − 206 | − 440 | − 771 | −1 942 | 2 109 | 348 | − 856 | 479 | 2 080 |
| | *4* | 1 634 | − 125 | − 461 | − 341 | − 793 | −1 044 | 141† | 1 016 | −1 103 | 1 076 | 1 130 |
| 1983 | *1* | 1 023 | − 87 | 1 179 | − 280 | −1 088 | −1 090 | − 268 | 2 240 | −1 349 | −280 | 342 |
| | *2* | 1 423 | 373 | − 648 | − 396 | − 679 | − 622 | 112 | 1 236 | − 32 | −767 | 549 |

[1] Inflows (+), outflows (−); Relationships between columns: 1+2+3+4+5+6+7+8+9+10=zero; 7+8+9+10=11
[2] Retained in UK (+), retained abroad (−).
[3] Includes accruals adjustment.
[4] Cash expenditure on subsidiaries and trade investments in the UK.
[5] The NBR seasonal adjustments include day-of-week adjustments the quarterly figures therefore do not always sum to the annual totals.
[6] Includes Bank of England Issue Department transactions in commercial bills.

## Industrial and commercial companies capital account and financial surplus/deficits

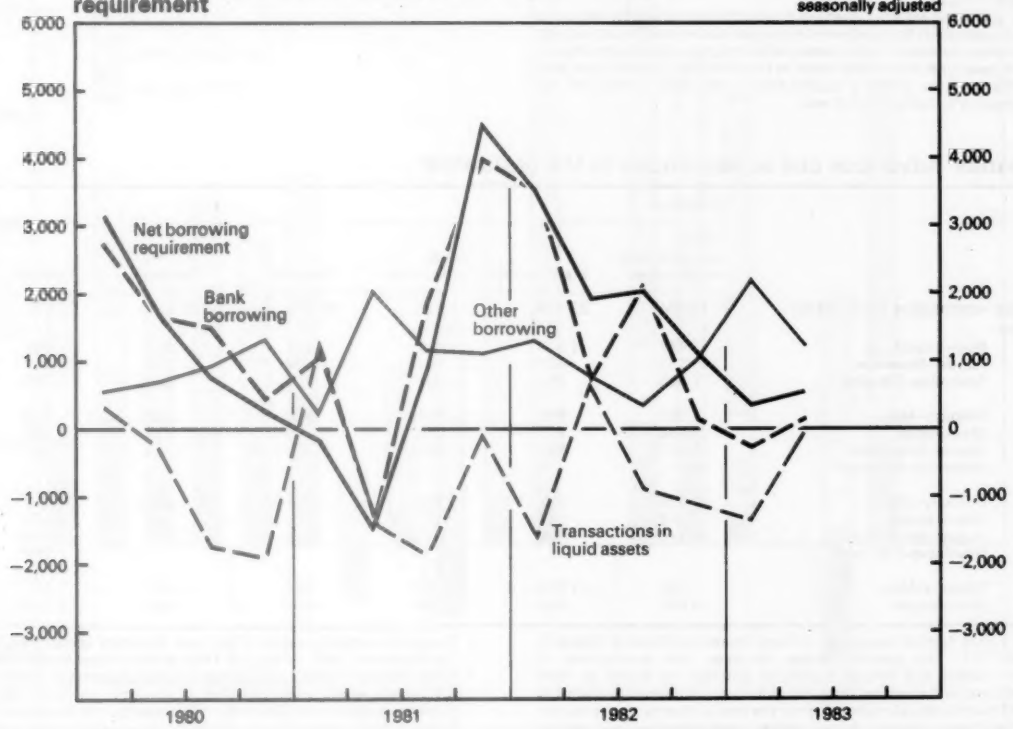
£ million seasonally adjusted




[1] Corresponds to the increase in book values of stocks and work in progress which is equal to the value of physical increase plus stock appreciation

## Industrial and commercial companies net borrowing requirement

£ million seasonally adjusted



## UK Banks' lending[1] to UK residents

£ million, seasonally adjusted[2]

| | | Lending to public sector | | | Lending to private sector | | |
|---|---|---|---|---|---|---|---|
| | | Total | Sterling | Other currencies[3] | Total | Sterling | Other currencies[3] |
| **Transactions** | | | | | | | |
| 1978 | | − 289 | 123 | − 412 | 5 729 | 4 710 | 1 020 |
| 1979 | | 925 | 1 540 | − 615 | 9 471 | 8 573 | 902 |
| 1980 | | 1 662 | 2 374 | − 712 | 10 904 | 9 722 | 1 278 |
| 1981 | | − 547 | 252 | − 799 | 11 425 | 8 623 | 2 729 |
| 1982 | | −3 904 | −2 090 | − 52 | 14 800 | 13 067 | 1 696 |
| 1978 | *1* | − 109 | 120 | − 229 | 884 | 816 | 68 |
| | *2* | −1 592 | −1 353 | − 239 | 1 662 | 1 316 | 346 |
| | *3* | 302 | 362 | − 60 | 1 447 | 1 109 | 338 |
| | *4* | 1 123 | 1 007 | 116 | 1 736 | 1 469 | 267 |
| 1979 | *1* | − 966 | − 804 | − 162 | 2 688 | 2 554 | 134 |
| | *2* | 340 | 511 | − 171 | 2 375 | 2 055 | 320 |
| | *3* | 485 | 636 | − 151 | 2 110 | 2 003 | 107 |
| | *4* | 808 | 939 | − 131 | 2 298 | 1 961 | 337 |
| 1980 | *1* | − 392 | − 220 | − 172 | 2 893 | 2 660 | 233 |
| | *2* | 554 | 532 | 22 | 3 258 | 2 517 | 741 |
| | *3* | − 285 | 119 | − 404 | 3 453 | 3 184 | 269 |
| | *4* | 1 902 | 2 060 | − 158 | 1 300 | 1 261 | 39 |
| 1981 | *1* | 1 218 | 1 142 | 76 | 372 | − 55 | 427 |
| | *2* | −1 054 | − 293 | − 761 | 3 203 | 3 388 | −185 |
| | *3* | − 107 | 111 | − 218 | 4 009 | 2 676 | 1 333 |
| | *4* | − 441 | − 545 | 104 | 3 841 | 2 614 | 1 227 |
| 1982 | *1* | − 881 | 869 | 12 | 2 394 | 1 991 | 403 |
| | *2* | −1 238 | −1 234 | − 4 | 4 316 | 4 114 | 202 |
| | *3* | − 760 | − 771 | 11 | 3 456 | 3 155 | 301 |
| | *4* | −1 025 | − 954 | − 71 | 4 634 | 3 807 | 827 |
| 1983 | *1* | 198 | 198 | — | 3 084 | 3 530 | −446 |
| | *2* | −2 132 | −2 112 | − 20 | 3 986 | 4 347 | 361 |

[1] UK banking sector: changes in assets. From the second quarter 1975 transactions have been entered as far as possible on a cash receipts/payments basis.

[2] The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.

[3] For the second quarter 1975 changes in foreign currency assets have been adjusted to exclude the effect of movements in exchange rates.

## UK banks' advances and acceptances to UK residents[1]

£ million

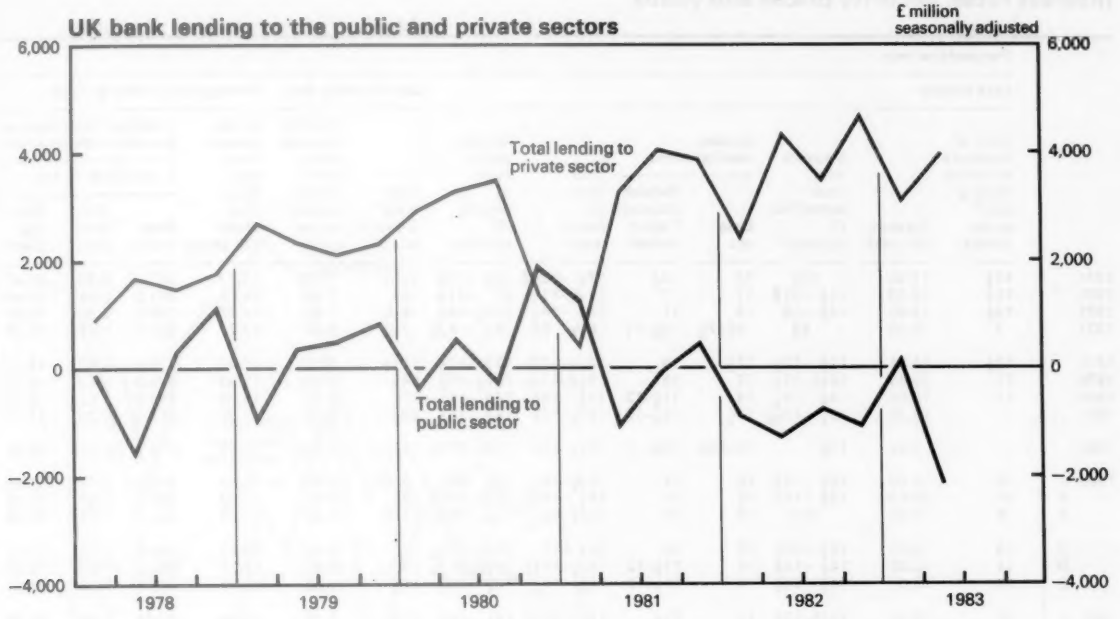
| | | Total advances and acceptances | Manufacturing | Other production | Financial | Services | Persons |
|---|---|---|---|---|---|---|---|
| **Amounts outstanding (Aug 1983):** | | 116 084 | 23 179 | 11 635 | 22 277 | 33 421 | 25 572 |
| **Changes** | | | | | | | |
| 1980 | May–August | 3 449 | 1 374 | 411 | 245 | 867 | 551 |
| | August–November | 153 | −429 | 44 | − 74 | 223 | 389 |
| | November–February | 1 628 | 352 | −35 | 306 | 550 | 455 |
| 1981 | February–May | 1 351 | −658 | 494 | 190 | 483 | 842 |
| | May–August | 3 358 | 417 | 363 | 559 | 810 | 1 209 |
| | August–November | 5 370† | 522 | 256 | 1 278† | 2 034 | 1 280 |
| | November–February[2] | .. | .. | .. | .. | .. | .. |
| 1982 | February–May | 5 235 | 783 | 316 | 764 | 1 692† | 1 680 |
| | May–August | 4 518 | 726 | 372 | 920 | 492 | 2 008 |
| | August–November | 4 140 | 225 | 517 | 458 | 1 068 | 1 872† |
| | November–February[3] | .. | .. | .. | .. | .. | 1 267 |
| 1983 | February–May | 789 | −1 098† | 127† | 799 | − 417 | 1 377 |
| | May–August | 4 281 | 608 | 533 | 610 | 757 | 1 773 |

[1] For a more detailed breakdown of these figures see *Financial Statistics* Table 6.7. The analysis covers advances and acceptances in both sterling and foreign currencies provided by banks to their customers and therefore does not include funds placed through the specialised financial markets such as the local authority money market or the finance company deposit market. Acceptances are not granted to persons.

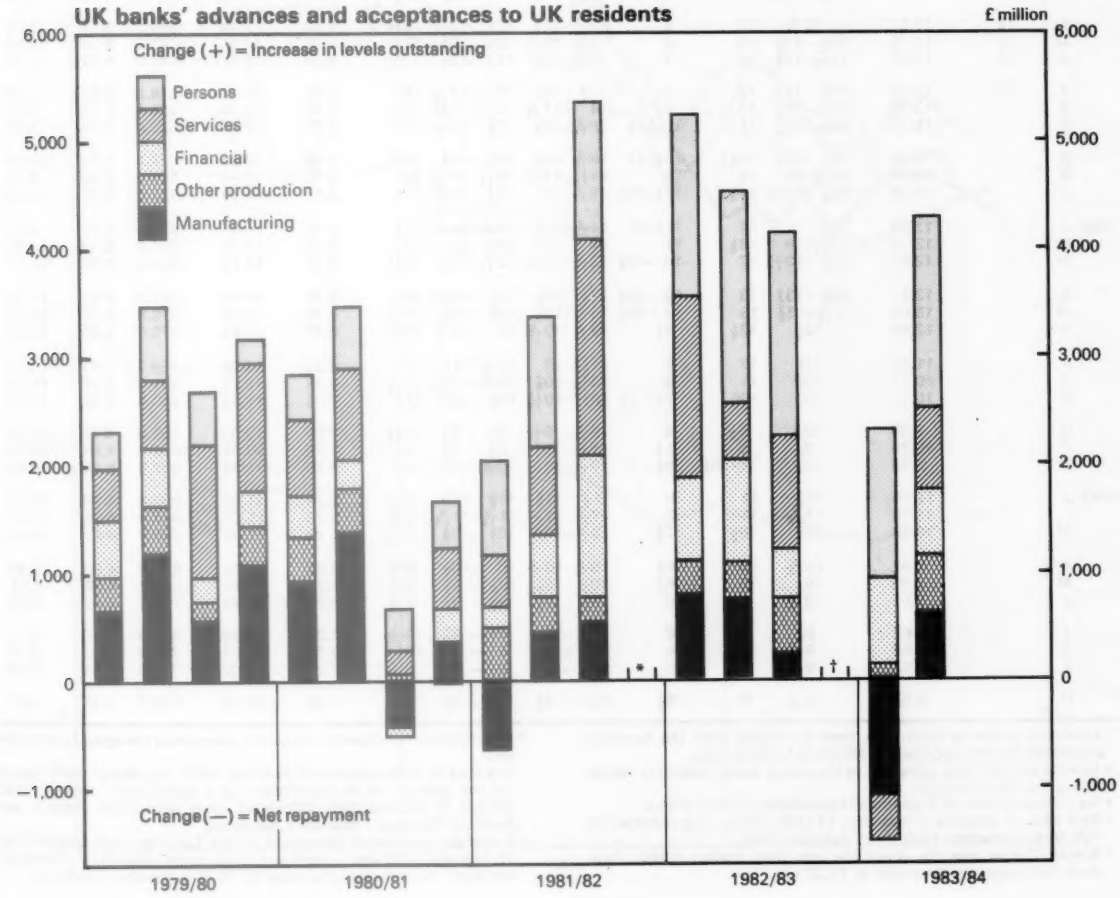
[2] Due to the implementation of the new monetary sector, changes for the November 1981 – February 1982 period cannot be calculated.

[3] From February 1983 market loans to 'UK public corporations' and to 'UK private sector' were classified as advances. In November 1982 these amounted to £2 844 million. Changes for the November 1982–February 1983 are therefore not shown, except for lending to persons which is thought not to be affected.

## UK bank lending to the public and private sectors




## UK banks' advances and acceptances to UK residents




*See footnote[2] page 64 lower table
†See footnote[3] page 64 lower table

## Interest rates, security prices and yields

| | Percentage rate | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Last Friday | | | | | | | Last working day | Average of working days | | | |
| | Bank of England's minimum lending rate to the market[1] | Treasury bill yield[2] | Deposits with local authorities (3 months)[3] | London clearing banks: Base rate | London clearing banks: Deposit account: 7 days' notice[4] | Inter-bank (3-month rate)[5] | Sterling certificates of deposit (3 months) | Euro-dollar 3-month rate | Building Societies Association recommended rate on shares[6] | British government securities: long dated[7] (20 years) | *Financial Times* index of industrial ordinary shares (1 July 1935 = 100): Price index | Dividend yield | Earnings yield[8] |
| 1974 | 11½ | 11.30 | 13½ | 12 | 9½ | 12½–12⅝ | 12⅝–12⅝ | 10 1/16 | 7.50 | 14.77 | 251.2 | 8.23 | 21.47 |
| 1975 | 11½ | 10.93 | 11½–11⅝ | 11 | 7 | 11 7/16–11 7/16 | 11 –11½ | 5⅝ | 7.00 | 14.39 | 311.0 | 6.81 | 19.49 |
| 1976 | 14½ | 13.98 | 14⅜–15 | 14 | 11 | 14½–14⅝ | 14 1/16–14½ | 5 7/16 | 7.80 | 14.43 | 368.0 | 5.96 | 17.61 |
| 1977 | 7 | 6.39 | 6⅜ | 6½–7½ | 3½–4½ | 6 9/16– 6⅝ | 6⅝ – 6 7/16 | 7 9/16 | 6.00 | 12.73 | 452.3 | 5.42 | 16.50 |
| 1978 | 12½ | 11.91 | 12⅜–12½ | 12½ | 10 | 12 7/16–12⅜ | 12⅜–12½ | 11 1/16 | 8.00 | 12.47 | 479.4 | 5.65 | 16.47 |
| 1979 | 17 | 16.49 | 16 13/16–17 1/16 | 17 | 15 | 16 1/16–17 1/16 | 16 1/16–16⅞ | 14½ | 10.50 | 12.99 | 475.5 | 6.49 | 16.61 |
| 1980 | 14 | 13.58 | 14⅜–14½ | 14 | 11½–12 | 14⅜–14½ | 14⅜–14½ | 17⅜ | 10.50 | 13.79 | 484.5 | 7.62 | 18.14 |
| 1981 | .. | 15.39 | 15½–15 11/16 | 14½ | 12½–12½ | 15 9/16–15⅝ | 15⅝–15⅝ | 13⅜ | 9.75 | 14.75 | 518.5 | 6.23 | 12.12 |
| 1982 | .. | 9.96 | 10⅜ | 10–10¼ | 6¾– 7 | 10 7/16–10⅜ | 10 3/16–10 5/16 | 9½ | 6.25 | 12.88 | 574.7 | 5.29 | 10.82 |
| 1980 *J* | 16 | 14.98 | 15½–15¾ | 16 | 14 | 15 5/16–15 7/16 | 15½–15¾ | 9 1/16 | 10.50 | 13.07 | 488.5 | 7.42 | 17.96 |
| *A* | 16 | 15.53 | 16⅛–16⅜ | 16 | 14 | 16⅛–16 5/16 | 16 7/16–16 9/16 | 12½ | 10.50 | 13.58 | 484.9 | 7.48 | 17.68 |
| *S* | 16 | 14.86 | 15⅝ | 16 | 14 | 15 11/16–15⅝ | 15⅝–15⅝ | 13 1/16 | 10.50 | 13.38 | 491.7 | 7.45 | 17.28 |
| *O* | 16 | 14.90 | 16⅛–16⅜ | 16 | 14 | 16⅛ –17 | 16 5/16–16 11/16 | 15½ | 10.50 | 13.12 | 483.8 | 7.59 | 17.14 |
| *N* | 14 | 13.38 | 14⅛–14⅜ | 14 | 11½–12 | 14 7/16–14 11/16 | 14 5/16–14 7/16 | 18 5/16 | 10.50 | 13.22 | 493.4 | 7.35 | 16.43 |
| *D* | 14 | 13.58 | 14⅛–14⅜ | 14 | 11½–12 | 14⅛–14⅜ | 14⅛–14⅜ | 17⅛ | 10.50 | 13.67 | 470.1 | 7.56 | 16.93 |
| 1981 *J* | 14 | 13.02 | 13 13/16–13⅞ | 14 | 11½ | 13⅜ –13 13/16 | 13½ –13⅜ | 17 7/16 | 9.25 | 13.96 | 459.6 | 7.78 | 17.44 |
| *F* | 14 | 11.93 | 12⅜ –12½ | 14 | 11½ | 12 7/16–12 11/16 | 12½ –12⅜ | 16 1/16 | 9.25 | 13.89 | 487.0 | 7.35 | 16.38 |
| *M* | 12 | 11.87 | 12⅛ –12 13/16 | 12 | 9 | 12⅜ –12⅛ | 12½ –12⅜ | 14⅜ | 9.25 | 13.68 | 497.8 | 6.78 | 14.39 |
| *A* | 12 | 11.57 | 12 5/16 | 12 | 9 | 12 5/16–12⅜ | 12½ –12 5/16 | 16 13/16 | 8.50 | 13.64 | 559.2 | 5.88 | 11.57 |
| *M* | 12 | 11.78 | 12½ –12⅝ | 12 | 9 | 12 7/16–12 5/16 | 12½ –12⅝ | 17⅜ | 8.50 | 14.31 | 557.8 | 5.91 | 11.59 |
| *J* | 12 | 12.24 | 12 7/16–12⅝ | 12 | 9 | 12 7/16–12⅝ | 12⅝ –12½ | 17 1/16 | 8.50 | 14.57 | 545.0 | 5.92 | 11.73 |
| *J* | 12 | 14.29 | 14⅜ –14⅝ | 12 | 9 | 14⅜ –14⅝ | 14½ –14 5/16 | 18⅜ | 8.50 | 15.14 | 528.2 | 6.01 | 11.70 |
| *A* | .. | 13.64 | 14 1/16–14½ | 12 | 9 | 14 –14 1/16 | 13 13/16–13⅞ | 18 1/16 | 8.50 | 15.09 | 554.4 | 5.51 | 9.83 |
| *S* | .. | 15.72 | 15⅝ –15⅞ | 14 | 11–11½ | 15 1/16–16⅛ | 15⅝ –15 1/16 | 17⅜ | 8.50 | 15.59 | 525.0 | 5.76 | 9.99 |
| *O* | .. | 16.30 | 16⅛ –16⅜ | 15½ | 13½–14 | 16 1/16–16⅜ | 16⅛ –16⅜ | 15 13/16 | 8.50 | 15.95 | 474.4 | 6.27 | 10.85 |
| *N* | .. | 14.25 | 14 13/16–15 | 15 | 13 | 14 13/16–14 15/16 | 14 13/16–14 13/16 | 12 | 9.75 | 15.44 | 511.1 | 5.86 | 9.92 |
| *D* | .. | 15.39 | 15½ –15 11/16 | 14½ | 12½–12½ | 15 1/16–15⅜ | 15⅜ –15⅝ | 13⅜ | 9.75 | 15.65 | 522.8 | 5.76 | 10.05 |
| 1982 *J* | .. | 13.98 | 14⅛ | 14 | 11½–12 | 14 7/16–14⅜ | 14 3/16–14 5/16 | 14⅜ | 9.75 | 15.58 | 543.4 | 5.57 | 9.83 |
| *F* | .. | 13.74 | 13 13/16–14 | 13½ | 11 | 14 –14⅛ | 13⅞ –14 | 15 | 9.75 | 14.74 | 565.6 | 5.43 | 9.62 |
| *M* | .. | 12.92 | 13⅜ –13 11/16 | 13 | 10 –10½ | 13 1/16–13 1/16 | 13 1/16–13⅜ | 15 13/16 | 9.75 | 13.72 | 560.4 | 5.63 | 10.57 |
| *A* | .. | 13.41 | 13⅜ –13⅝ | 13 | 10 –10½ | 13⅜ –13⅞ | 13⅜ –13 11/16 | 14⅞ | 8.75 | 13.98 | 563.6 | 5.57 | 11.22 |
| *M* | .. | 13.08 | 13 1/16–13⅜ | 13 | 10 –10½ | 13 1/16–13½ | 13⅜ –13⅜ | 14 7/16 | 8.75 | 13.69 | 578.8 | 5.41 | 11.25 |
| *J* | .. | 12.66 | 13½ | 12½ | 9½ | 13 1/16–13 3/16 | 13 –13 1/16 | 15 13/16 | 8.75 | 13.56 | 570.0 | 5.49 | 11.45 |
| *J* | .. | 11.40 | 11⅞ | 12 | 9 | 11 13/16–12 | 11 11/16–11⅞ | 13 | 8.75 | 13.20 | 559.7 | 5.47 | 11.51 |
| *A* | .. | 10.17 | 10⅜ | 11 | 8 | 10 11/16–10⅞ | 10 7/16–10 11/16 | 11 1/16 | 8.75 | 12.23 | 561.1 | 5.28 | 11.58 |
| *S* | .. | 10.12 | 10⅜ | 10½ | 7½– 7 13/16 | 10 11/16–10 13/16 | 10⅜ –10⅜ | 11½ | 7.75 | 11.40 | 580.6 | 5.02 | 11.02 |
| *O* | .. | 9.03 | 10⅜ | 9½ | 6 | 9 7/16– 9 11/16 | 9⅜ – 9½ | 10 13/16 | 7.75 | 10.50 | 602.0 | 4.76 | 10.54 |
| *N* | .. | 10.26 | 9⅞ | 9 | 5½ | 9 11/16–10 | 9⅜ – 9⅝ | 9⅞ | 7.75 | 10.64 | 618.7 | 4.87 | 10.44 |
| *D* | .. | 9.96 | 10⅜ | 10–10½ | 6¾– 7 | 10 7/16–10⅜ | 10 3/16–10 5/16 | 9½ | 6.25 | 11.34 | 592.8 | 5.03 | 10.81 |
| 1983 *J* | .. | 11.24 | 11½ | 11 | 8 | 11½ –11⅝ | 11⅜ –11½ | 9 7/16 | 6.25 | 11.60 | 608.4 | 4.88 | 10.50 |
| *F* | .. | 11.15 | 11 7/16 | 11 | 8 | 11 5/16–11½ | 11 5/16–11 7/16 | 9 5/16 | 6.25 | 11.50 | 646.5 | 4.82 | 10.34 |
| *M* | .. | 10.23 | 10½ | 10½ | 7½ | 10 11/16–10⅞ | 10⅜ –10⅝ | 9 11/16 | 6.25 | 11.02 | 659.5 | 4.87 | 10.25 |
| *A* | .. | 9.92 | 10 7/16 | 10 | 6¾ | 10 5/16–10 7/16 | 10 –10½ | 8 13/16 | 6.25 | 10.56 | 685.6 | 4.60 | 9.36 |
| *M* | .. | 9.93 | 10½ | 10 | 6¾ | 10½ –10 11/16 | 10½ –10½ | 9 5/16 | 6.25 | 10.65 | 690.2 | 4.58 | 9.04 |
| *J* | .. | 9.51 | 9 11/16 | 9½ | 6 | 9⅝ – 9¾ | 9⅝ – 9⅝ | 9 11/16 | 6.25 | 10.39 | 716.6 | 4.47 | 8.88 |
| *J* | .. | 9.62 | 9⅞ | 9½ | 6 | 9⅞ –10 | 9 13/16– 9⅞ | 10 3/16 | 7.25 | 10.95 | 697.9 | 4.60 | 9.12 |
| *A* | .. | 9.56 | 9 11/16 | 9½ | 6 | 9 11/16 – 9 13/16 | 9 11/16– 9 13/16 | 10½ | 7.25 | 11.07 | 724.4 | 4.62 | 9.27 |
| *S* | .. | 9.17 | 9 11/16 | 9½ | 6 | 9 7/16 – 9 11/16 | 9 7/16– 9 7/16 | 9 7/16 | 7.25 | 10.67 | 704.3 | 4.81 | 9.59 |
| *O* | .. | 9.03 | 9 7/16 | 9 | 5½ | 9 7/16 – 9⅜ | 9 13/16– 9½ | | 7.25 | 10.61 | 693.5 | 4.87 | 9.67 |

[1] Previously known as Bank Rate. From 20 August 1981 the Bank has suspended the announcement of Minimum Lending Rate.

[2] Average discount rate expressed as the rate at which interest is earned during the life of the bills.

[3] For a minimum term of 3 months and thereafter at 7 days' notice.

[4] Rate paid on deposits of less than £10,000, which was restricted to 9½% from September 1973 to 28 February 1975.

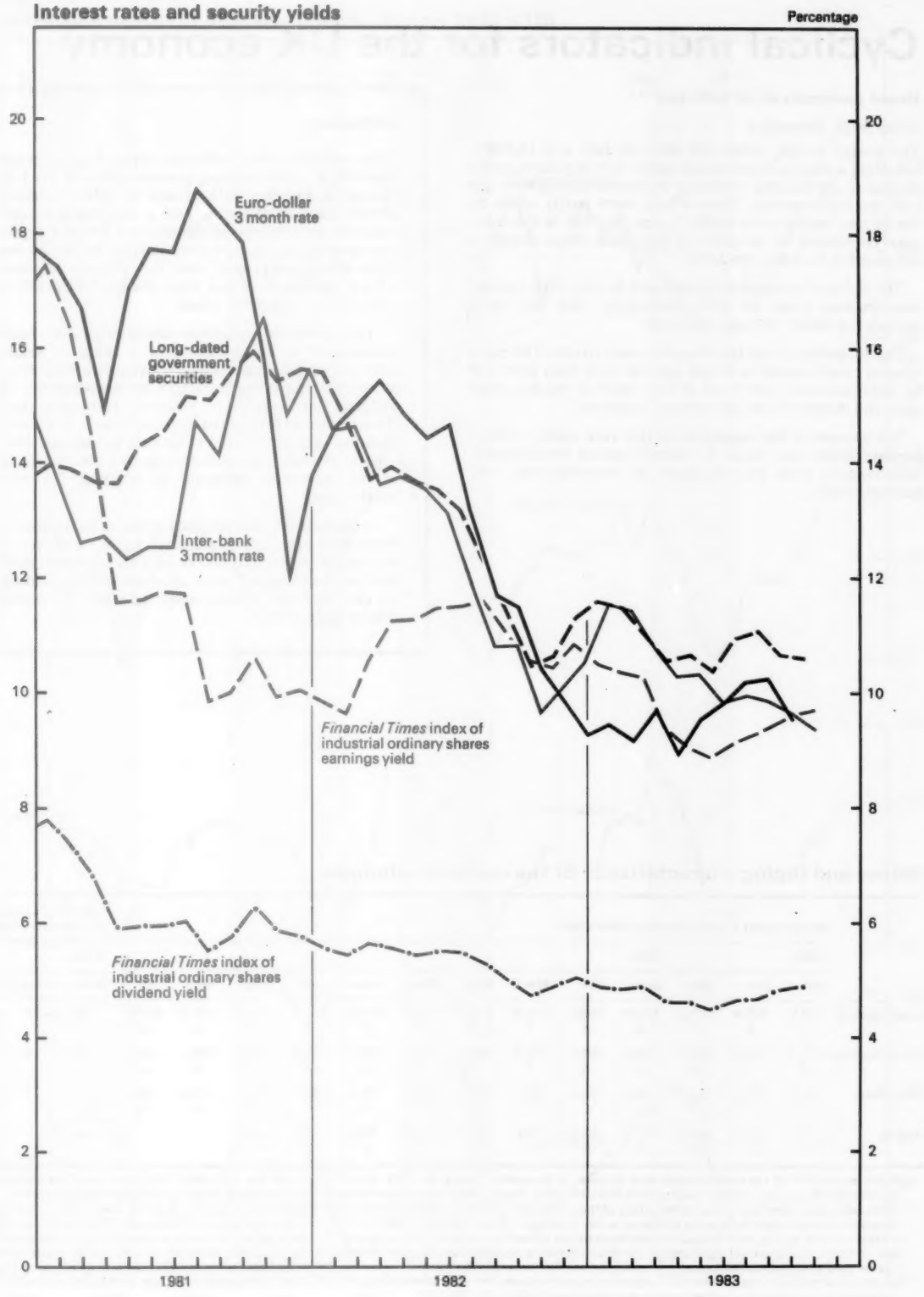
[5] Spread of rates over the day in the inter-bank sterling market; from June 1982 rates are the spread at 10.30 a.m.

[6] Net of income tax where this is paid by societies at the agreed composite rate.

[7] Averages of Wednesdays until February 1980; from March 1980 figures are the average of all observations (3 a week); from January 1982 average of working days. Calculated gross redemption yields – see *Financial Statistics Explanatory handbook.*

[8] A change in basis of calculation of the Earnings yield occurred on 26 February 1973 and is explained in *Financial Statistics Explanatory handbook.* No meaningful average for 1973 is therefore available.

## Interest rates and security yields



# Cyclical indicators for the UK economy

**Recent movements of the indicators**

(*Data to 18 November*)

The longer leading index fell between July and October, reflecting a drop in share prices and in housing starts, and a decline in the balance reporting increased optimism in the CBI quarterly survey. These effects were partly offset by the further reduction in interest rates. The fall in the index may be subject to revision as later and more complete information becomes available.

The shorter leading index continued to rise, with upward contributions from all five components over the latest periods for which they are available.

The coincident index has also continued to rise. The main upward contributions in recent months have been provided by improvements over trend in raw material stocks, retail sales and output of the production industries.

The increase in the lagging index this year mainly reflects improvements over trend in manufacturing employment, investment in plant and machinery by manufacturers, and unemployment.

**Definitions**

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-term trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is an economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the values of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of similar amplitude, and inversion where appropriate.

## Values and timing characteristics of the composite indices

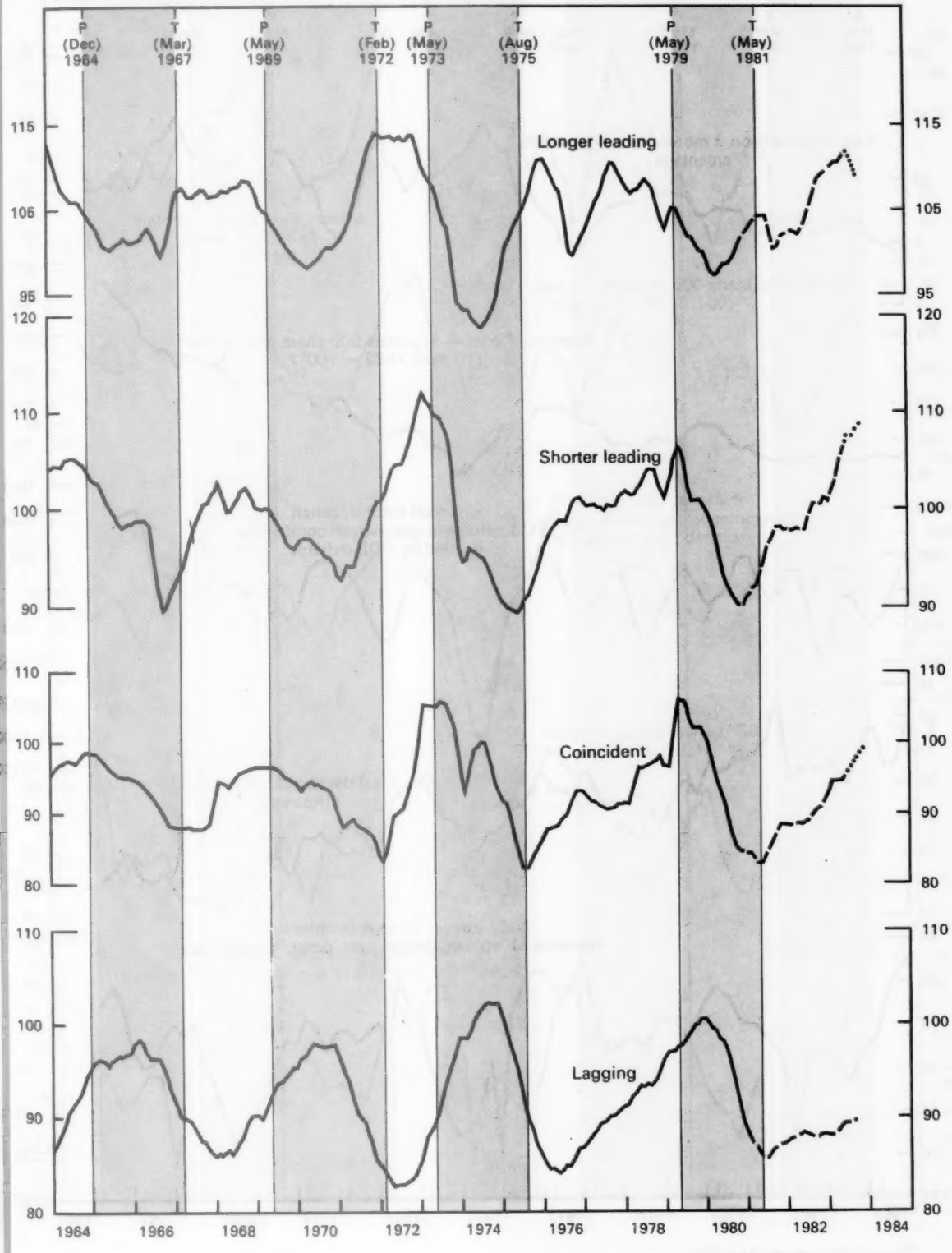
| | Most recent values January 1980 =100 | | | | | | | | | | | | | Lead (−) or lag (+) in months relative to reference cycle dates | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1982 | | | 1983 | | | | | | | | | | | | |
| | Oct | Nov | Dec | Jan | Feb | March | April | May | June | July | Aug | Sept | Oct | Mean | Earliest | Latest |
| Longer leading | 107.3 | 108.6 | 109.2 | 109.5 | 109.9 | 110.3 | 110.6 | 110.6 | 111.2 | 111.7 | 111.2 | 110.2 | 108.9 | −12 | −21 | − 5 |
| | *5* | *5* | *5* | *5* | *5* | *5* | *5* | *5* | *5* | *4* | *4* | *4* | *3* | | | |
| Shorter leading | 100.4 | 100.3 | 101.0 | 100.5 | 101.7 | 102.4 | 104.1 | 105.2 | 106.1 | 107.2 | 107.2 | 108.1 | 108.6 | − 5 | −12 | — |
| | *5* | *5* | *5* | *5* | *5* | *5* | *5* | *5* | *5* | *4* | *4* | *4* | *2* | | | |
| Coincident .. | 91.2 | 91.6 | 92.5 | 93.6 | 94.8 | 94.7 | 94.8 | 94.6 | 95.2 | 96.1 | 97.3 | 97.8 | 99.0 | — | − 7 | + 5 |
| | *7* | *7* | *7* | *7* | *7* | *7* | *7* | *7* | *7* | *5* | *5* | *5* | *3* | | | |
| Lagging .. | 87.8 | 87.7 | 87.6 | 87.4 | 87.5 | 87.9 | 88.6 | 89.0 | 89.0 | 89.0 | 89.2 | | | +10 | + 1 | +17 |
| | *5* | *5* | *5* | *5* | *5* | *5* | *5* | *5* | *5* | *5* | *4* | | | | | |

[1] A full explanation of the methodology used is given in *Economic Trends*, No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February, May, August and November issues, a further ten pages showing individual indicator series.

[2] In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revision each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in their calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO. 01-233 7661.

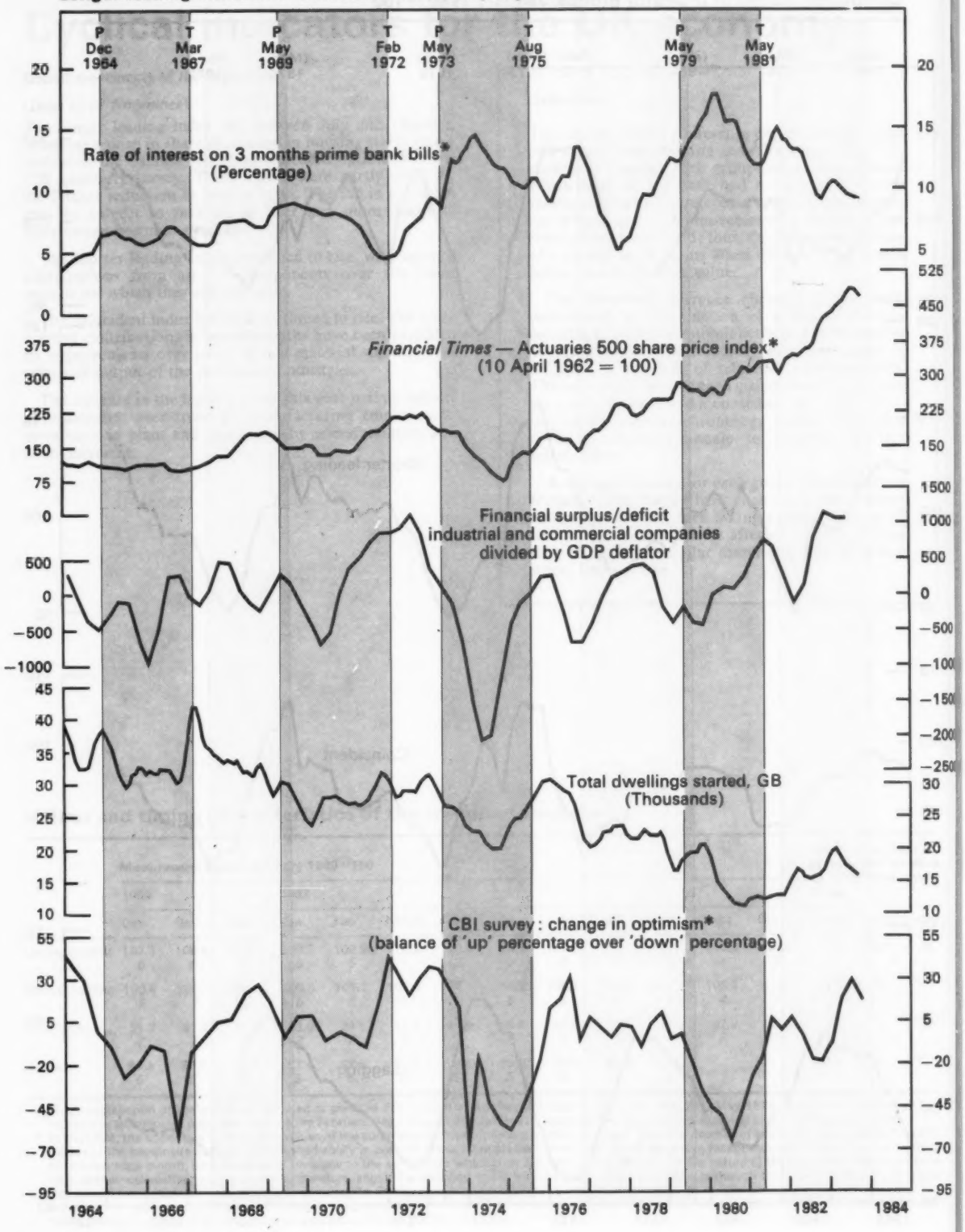
## Cyclical indicators

**Composite indices of indicator groups. January 1980 = 100**



## Cyclical indicators by timing classification

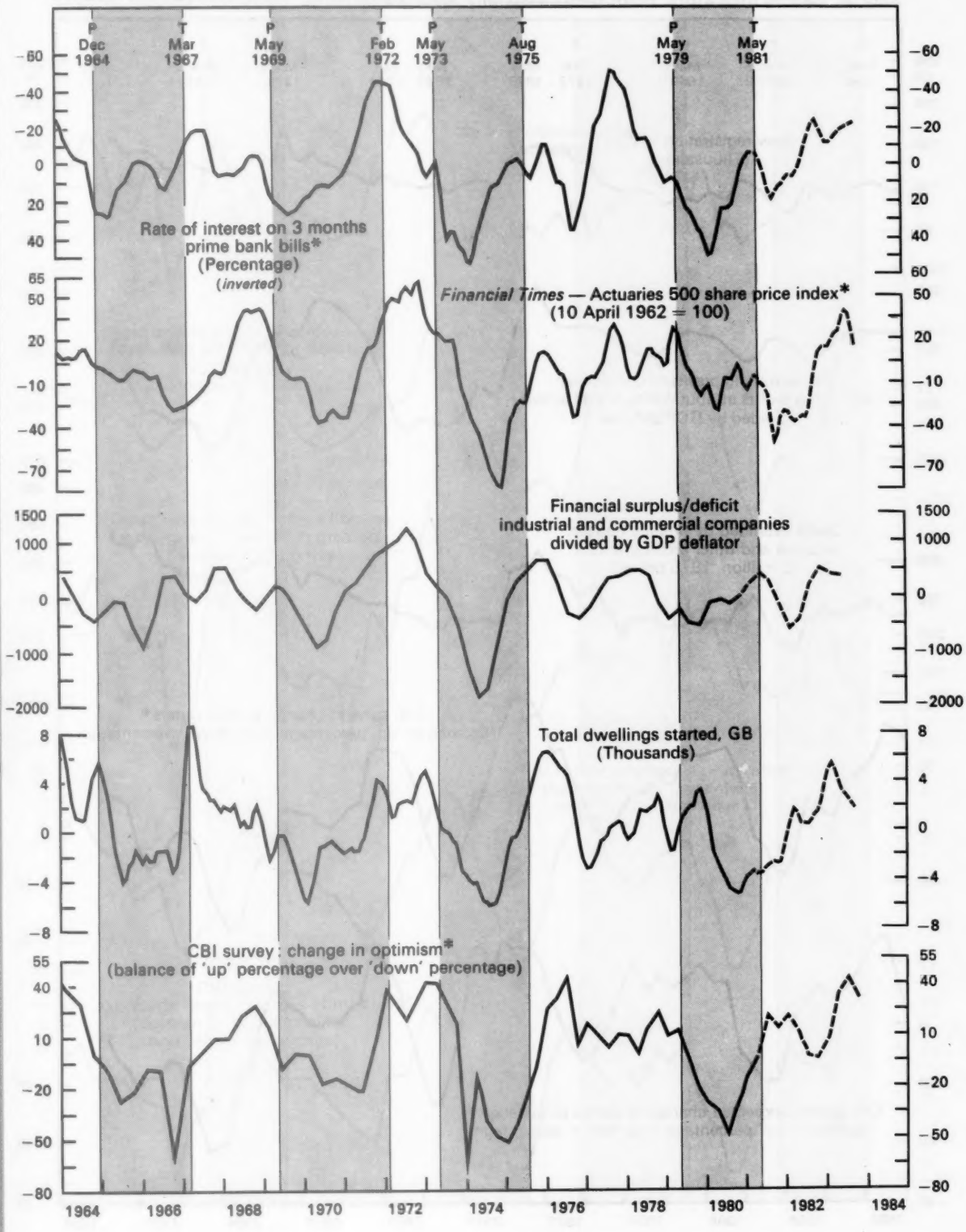
**Longer leading indicators. Smoothed seasonally adjusted series**




*Seasonally adjusted by CSO

## Cyclical indicators by timing classification

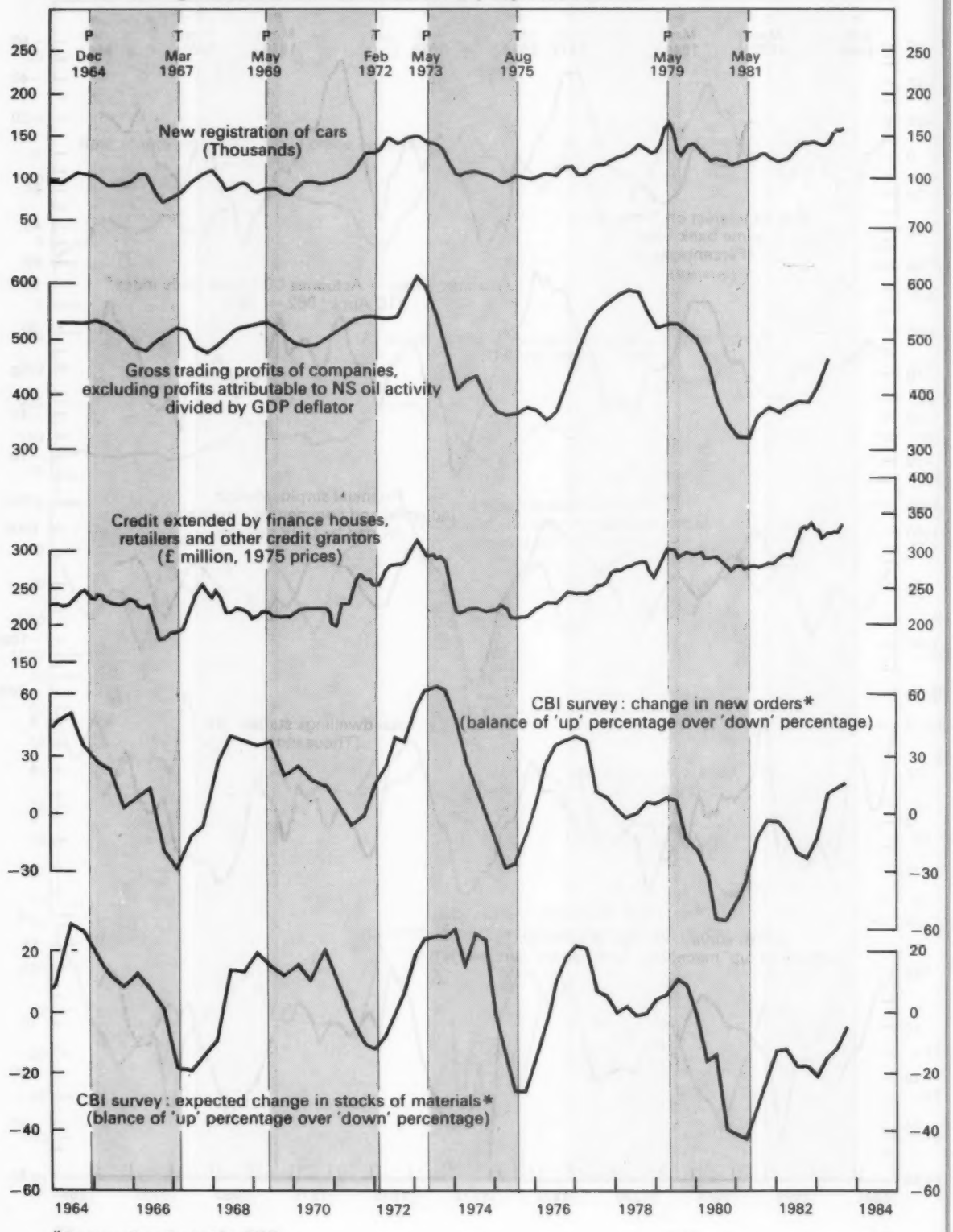
**Longer leading indicators. Smoothed trend-eliminated series**




*Seasonally adjusted by CSO

## Cyclical indicators by timing classification

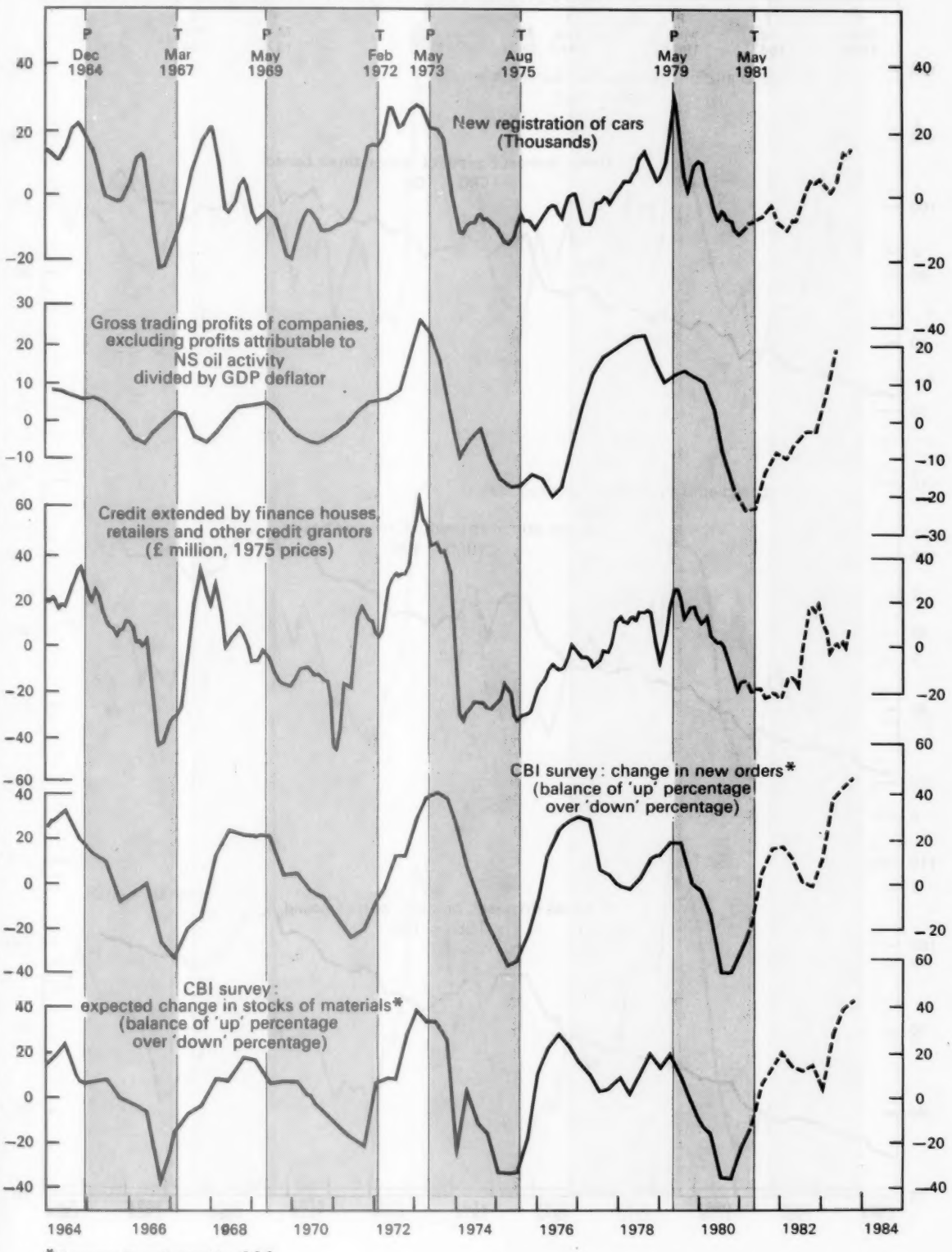
**Shorter leading indicators. Smoothed seasonally adjusted series**


P Dec 1964
T Mar 1967
P May 1969
T Feb 1972
P May 1973
T Aug 1975
P May 1979
T May 1981
New registration of cars (Thousands)
Gross trading profits of companies, excluding profits attributable to NS oil activity divided by GDP deflator
Credit extended by finance houses, retailers and other credit grantors (£ million, 1975 prices)
CBI survey: change in new orders* (balance of 'up' percentage over 'down' percentage)
CBI survey: expected change in stocks of materials* (balance of 'up' percentage over 'down' percentage)
1964
1966
1968
1970
1972
1974
1976
1978
1980
1982
1984

*Seasonally adjusted by CSO

## Cyclical indicators by timing classification

**Shorter leading indicators. Smoothed trend-eliminated series**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1964
1966
1968
1970
1972
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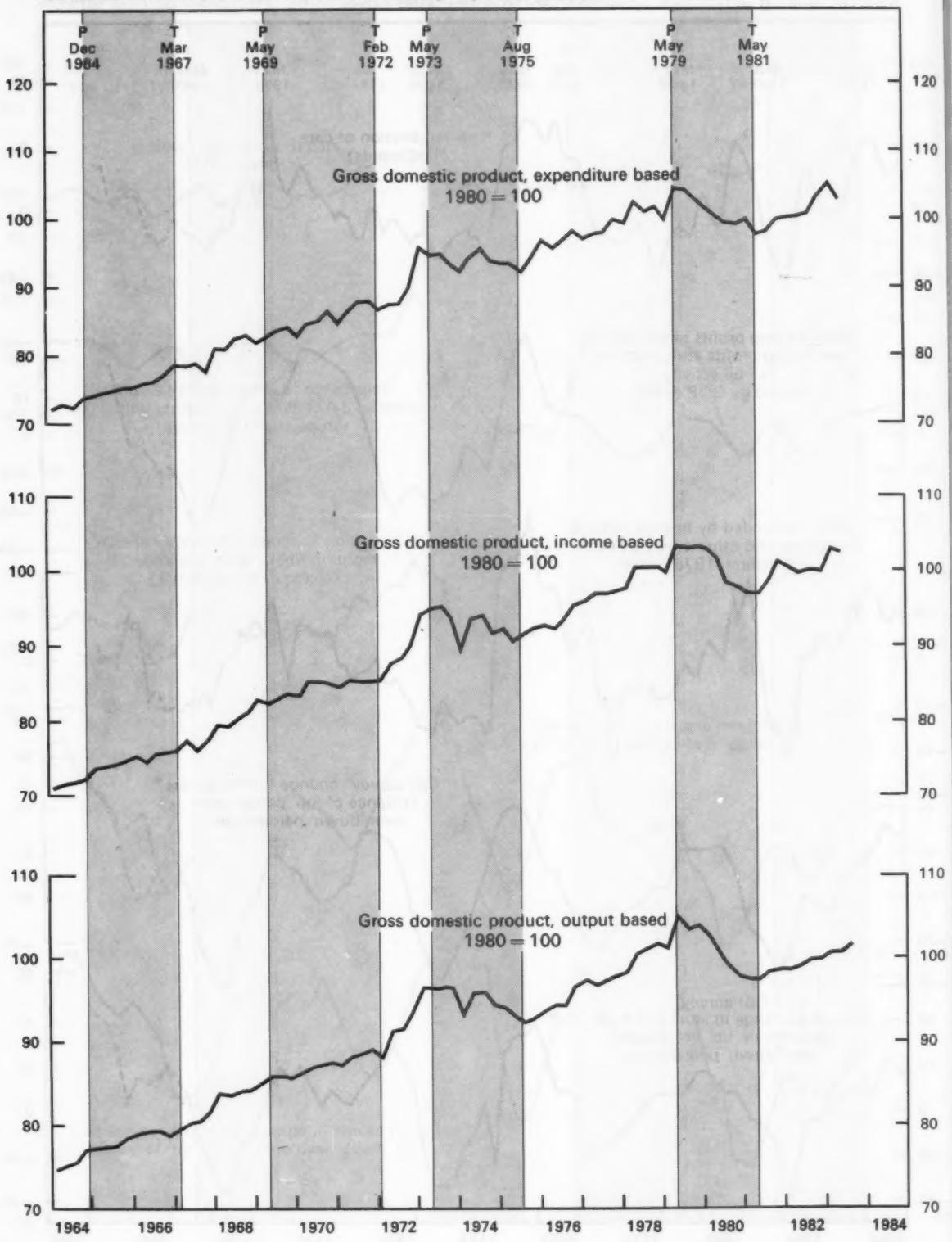
1976
1978
1980
1982
1984

*Seasonally adjusted by CSO

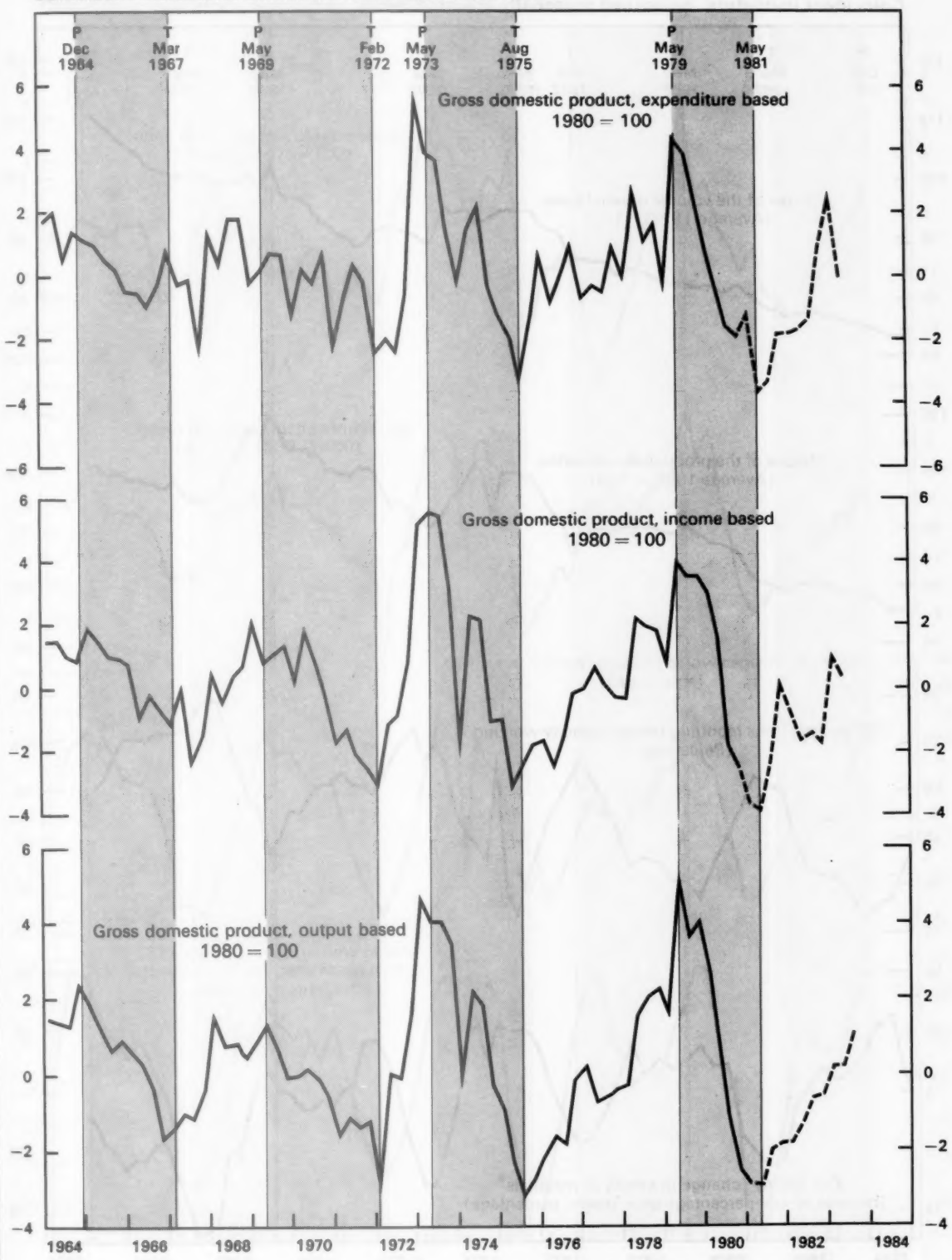
## Cyclical indicators by timing classification

**Coincident indicators. Smoothed seasonally adjusted series**

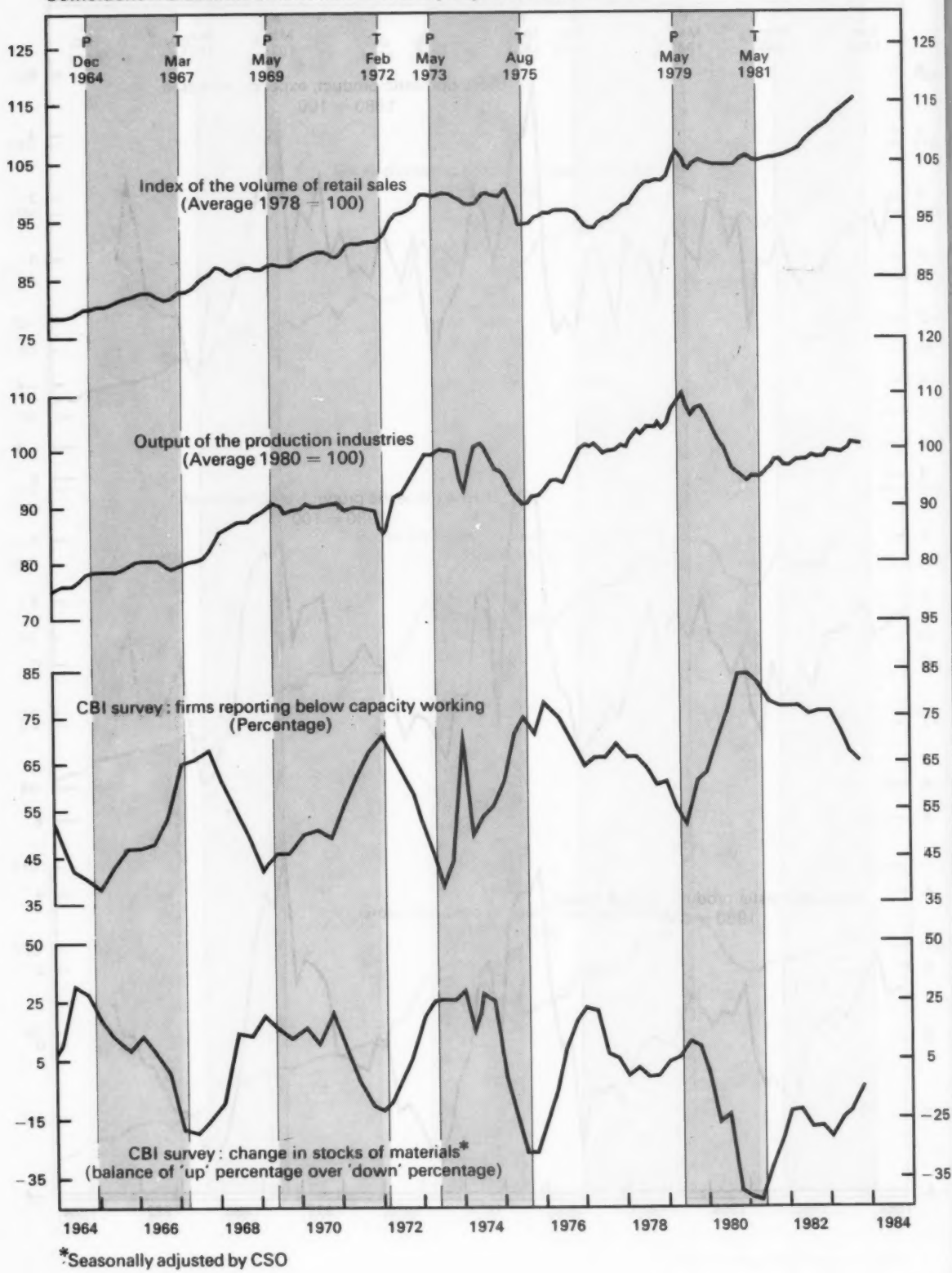


## Cyclical indicators by timing classification

**Coincident indicators. Smoothed trend-eliminated series**



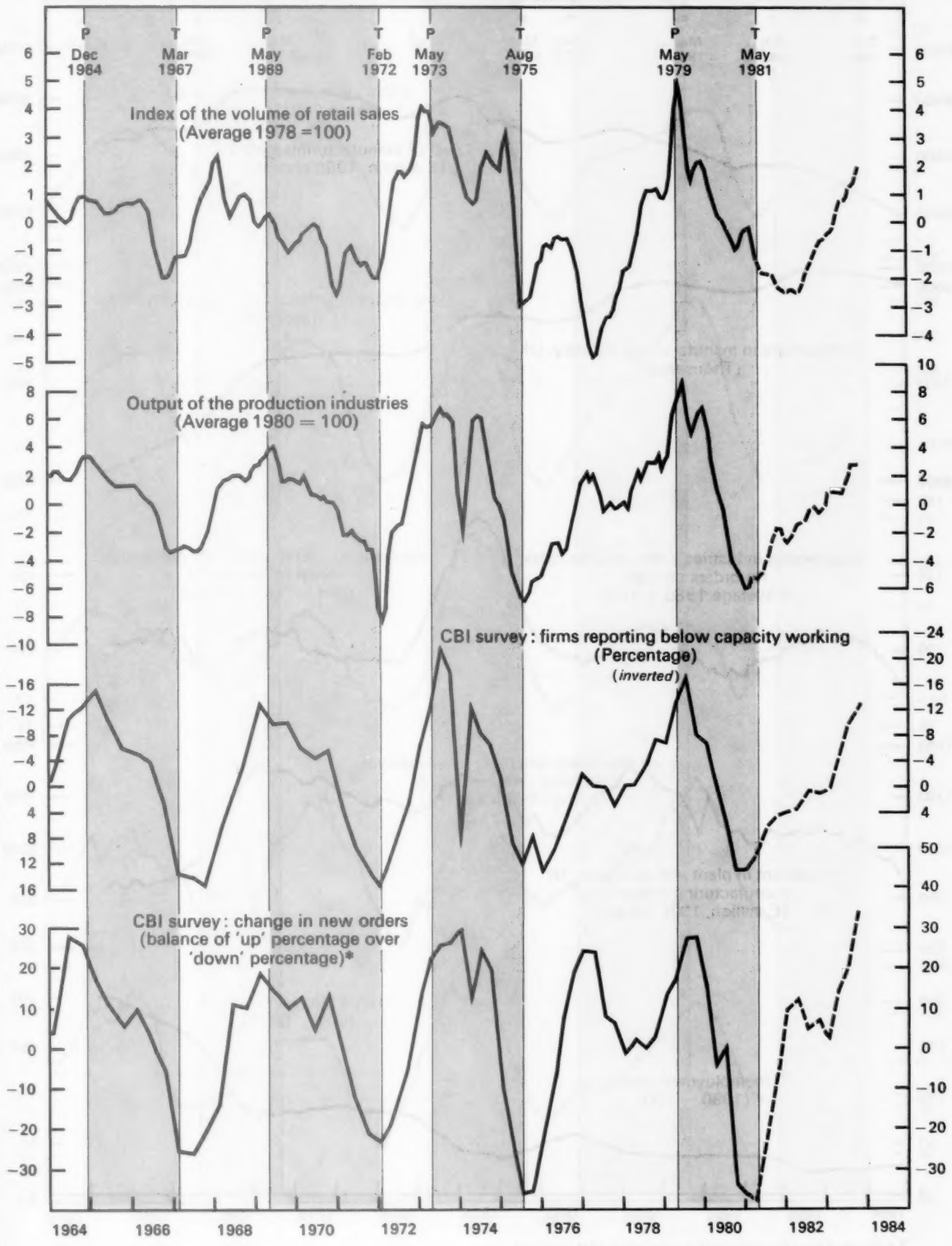
**Cyclical indicators by timing classification**
**Coincident indicators. Smoothed seasonally adjusted series**




*Seasonally adjusted by CSO

## Cyclical indicators by timing classification

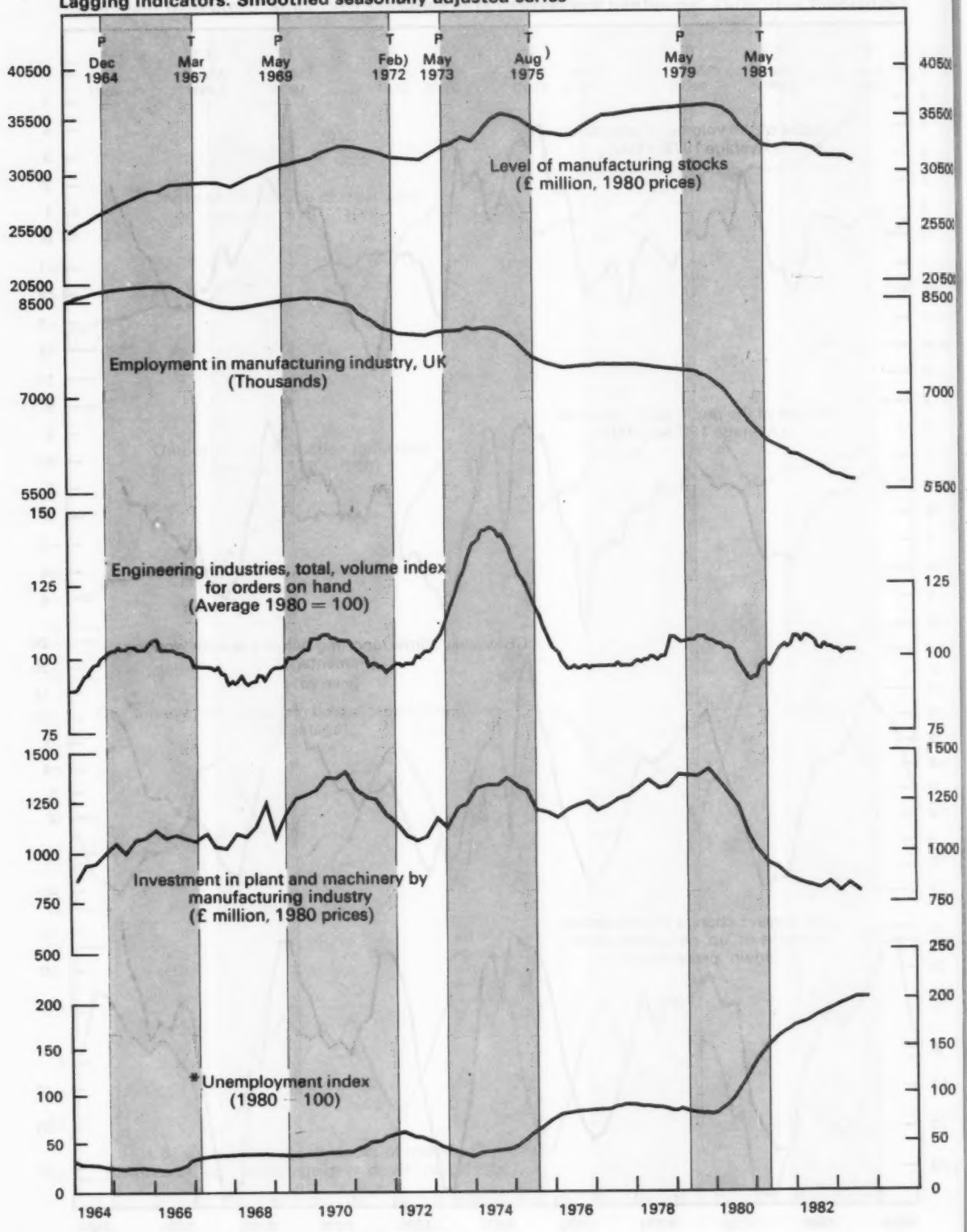
**Coincident indicators. Smoothed trend-eliminated series**




*Seasonally adjusted by CSO

## Cyclical indicators by timing classification

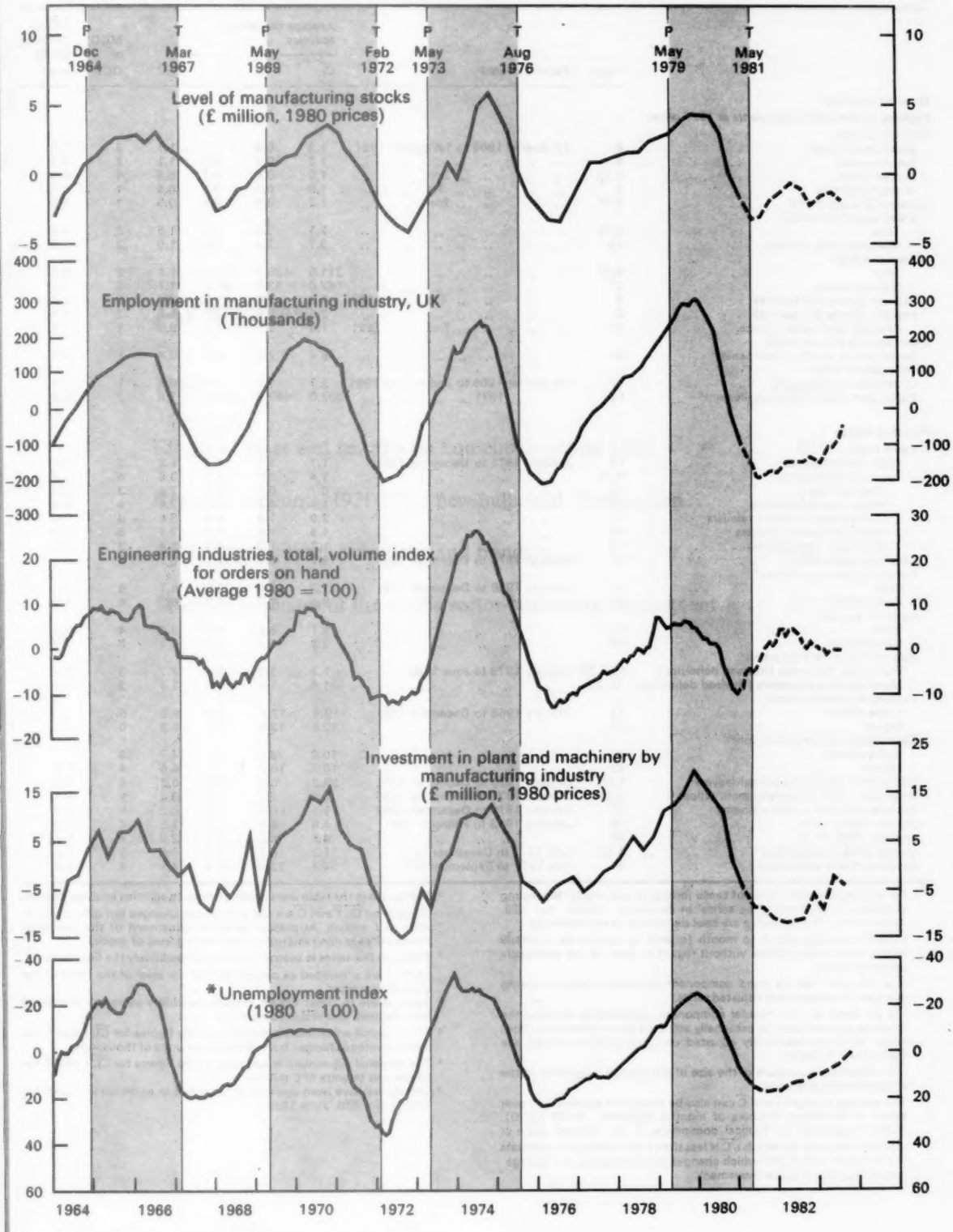
**Lagging indicators. Smoothed seasonally adjusted series**




*Adjusted for changes in the coverage of the count

## Cyclical indicators by timing classification

**Lagging indicators. Smoothed trend-eliminated series**




*Adjusted for changes in the coverage of the count

## Measures of variability of selected economic series[1]

| | Page | Period covered | Average percentage changes $\overline{CI}$ | $\overline{I}$ | $\overline{C}$ | $\overline{I/C}$ | MCD or QCD | $\overline{I/C}$ for MCD (or QCD) span |
|---|---|---|---|---|---|---|---|---|
| **Quarterly series** | | | | | | | | |
| *National income and components at 1975 prices* | | | | | | | | |
| GDP, factor cost | | | | | | | | |
| Expenditure based | 6 | 1st quarter 1968 to 1st quarter 1981 | 1.2 | 0.8 | 0.7 | 1.1 | 2 | 0.5 |
| Income based | 6 | " " " " " " " | 1.2 | 0.9 | 0.8 | 1.1 | 2 | 0.3 |
| Output based | 6,28 | " " " " 2nd " " | 1.0 | 0.6 | 0.7 | 0.9 | 1 | 0.9 |
| Average estimate | 6 | " " " " 1st " " | 1.0 | 0.6 | 0.7 | 0.9 | 1 | 0.9 |
| Consumers' expenditure | 8,10 | " " " " 2nd " " | 1.2 | 0.8 | 0.8 | 0.9 | 1 | 0.9 |
| Fixed capital formation | | | | | | | | |
| Total | 8,16 | " " " " " " " | 2.1 | 1.6 | 1.1 | 1.5 | 2 | 0·6 |
| Manufacturing industry | 18 | " " " " " " " | 3.7 | 2.4 | 2.4 | 1.0 | 2 | 0.3 |
| Stockbuilding[2] | | | | | | | | |
| Total | 8,22 | " " " " " " " | 211.5 | 135.7 | 128.2 | 1.1 | 2 | 0.5 |
| Manufacturing | 22 | " " " " " " " | 147.0 | 93.1 | 81.6 | 1.1 | 2 | 0.5 |
| Exports: goods and services | 8 | " " " " 4th " 1980 | 3.3 | 2.6 | 1.8 | 1.4 | 2 | 0.8 |
| Imports: goods and services | 8 | " " " " " " " | 2.8 | 2.2 | 2.0 | 1.1 | 2 | 0.4 |
| Personal disposable income | 10 | " " " " 2nd " 1981 | 1.8 | 1.1 | 1.3 | 0.9 | 1 | 0.9 |
| *Other national income series* | | | | | | | | |
| Gross trading profits of companies | 60 | " " " " " " " | 5.4 | 2.7 | 4.3 | 0.6 | 1 | 0.6 |
| *Other quarterly series* | | | | | | | | |
| Construction output | 30 | 1st quarter 1955 to 2nd quarter 1981 | 2.3 | 1.2 | 1.6 | 0.8 | 1 | 0.8 |
| Public sector borrowing requirement[4] | 56 | " " 1971 " " " " | 602.0 | 447.2 | 256.0 | 1.8 | 2 | 0.9 |
| **Monthly series** | | | | | | | | |
| Retail sales | | | | | | | | |
| Total: current prices | 12 | January 1971 to December 1981 | 1.7 | 1.3 | 1.1 | 1.2 | 2 | 0.6 |
| Total: constant prices | 5,12 | " " " " " | 1.4 | 1.3 | 0.4 | 3.8 | 5 | 0.9 |
| Food retailers | 12 | " " " " " | 0.7 | 0.6 | 0.3 | 2.4 | 3 | 0.9 |
| Mixed retail businesses | 12 | " " " " " | 1.4 | 1.2 | 0.4 | 2.9 | 4 | 0.8 |
| Clothing and footwear retailers | 12 | " " " " " | 2.0 | 1.9 | 0.5 | 3.6 | 4 | 0.9 |
| Household goods retailers | 12 | " " " " " | 1.9 | 1.6 | 0.8 | 2.1 | 3 | 0.8 |
| Other non-food retailers | 12 | " " " " " | 1.2 | 1.0 | 0.4 | 2.4 | 3 | 0.9 |
| Cars: new registrations | 12 | October 1974 to December 1981 | 9.1 | 9.1 | 1.1 | 8.7 | 6 | |
| Housing: public authorities[4] | | | | | | | | |
| Starts | 20 | January 1956 to December 1981 | 12.3 | 12.2 | 2.0 | 6.1 | 6 | |
| Completions | 20 | " " " " " | 8.0 | 7.9 | 1.3 | 6.1 | 6 | 1.0 |
| Housing: private | | | | | | | | |
| Starts | 20 | " " " " " | 9.1 | 8.8 | 2.6 | 3.4 | 4 | 0.9 |
| Completions | 20 | " " " " " | 6.2 | 6.2 | 1.0 | 6.2 | 6 | 1.0 |
| Index of industrial production: | | | | | | | | |
| Production industries (Revised definition) | 5,26,28 | January 1978 to June 1983 | 1.3 | 1.2 | 0.4 | 2.7 | 3 | 0.9 |
| Manufacturing industries (Revised definition) | 26, 28 | " " " " " | 1.6 | 1.4 | 0.5 | 2.7 | 3 | 0.9 |
| Passenger car production: | | | | | | | | |
| Home market | 32 | January 1968 to December 1981 | 12.9 | 12.6 | 2.0 | 6.3 | 6 | |
| Export | 32 | " " " " " | 12.8 | 12.3 | 2.1 | 5.9 | 6 | |
| Commercial vehicle production: | | | | | | | | |
| Home market | 32 | " " " " " | 10.6 | 9.9 | 2.1 | 4.7 | 6 | |
| Export | 32 | " " " " " | 10.7 | 10.2 | 2.2 | 4.6 | 6 | 1.0 |
| Unemployed excluding school-leavers[6] | 5,36 | January 1970 to December 1981 | 23.2 | 5.4 | 22.3 | 0.2 | 1 | 0.2 |
| Vacancies notified to employment offices[5] | 5,36 | January 1970 to December 1981 | 6.9 | 2.6 | 6.3 | 0.4 | 1 | 0.4 |
| Average earnings: whole economy | 40 | January 1976 to December 1980 | 1.1 | 0.2 | 1.1 | 0.2 | 1 | 0.2 |
| Exports: value, f.o.b.[7] | 48 | January 1963 to February 1981 | 4.8 | 4.5 | 1.3 | 3.5 | 4 | 0.9 |
| Imports: value, f.o.b.[7] | 48 | " " " " " | 4.5 | 4.2 | 1.4 | 2.9 | 4 | 0.7 |
| Money stock (sterling $M_3$)[3] | 5,52 | July 1971 to December 1977 | 1.3 | 0.6 | 1.2 | 0.5 | 1 | 0.5 |
| Domestic credit expansion[3] | 54 | July 1971 to September 1977 | 94.1 | 73.3 | 17.9 | 4.1 | 5 | 1.0 |

[1] For a complete description of these measures see article 'Measuring variability in economic time series' in *Economic Trends*, No. 226, August 1972. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes [2], [3], [6] and [6].

$\overline{I/C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I/C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average greater than the irregular movement.

[2] The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

[3] Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are presented as percentages of the level of the trend in the preceding quarter.

[4] Series relate to Great Britain, though variability measures calculated from England and Wales component.

[5] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

[6] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in units of £ million.

[7] The figures have been updated as described in an article in *Economic Trends*, No. 320, June 1980.

# Articles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# The effects of taxes and benefits on household income, 1982

**Summary of main results**

During 1982 the Government raised and spent £128 billion. Directly or indirectly, most of the revenue is raised from UK households, and the expenditure benefits households. For any one household, payments and benefits will not necessarily be equal; the aim of this article is to examine how the balance varies by income level, and therefore how the distribution of income is altered by the tax-benefit system.

The main results of the analysis are:

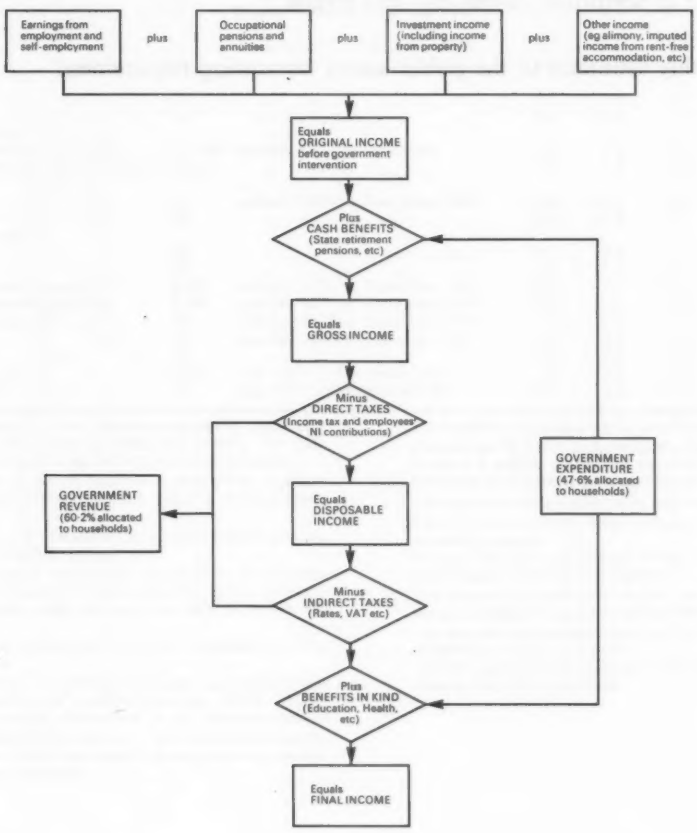
(i) The tax-benefit system as a whole has the effect of reducing income inequality. In 1982 its effect was to increase the share of total income of the bottom 20 per cent of households from ½ per cent to 7 per cent. The payment of cash benefits plays the largest part in reducing income dispersion.

(ii) The income of a household depends to a large extent on its size and composition. Households are divided into ten groups according to their composition and the effect of the tax-benefit system on each group is examined. This analysis shows that the greatest reductions in income inequality brought about through the tax-benefit system occur within the groups of retired households, lone parent households and households with three or more children.

(iii) The special feature in this year's article is an analysis of the effect of the tax-benefit system on households classified by their employment status. The analysis shows how taxes and benefits reduce the gap in income between households in which the head is working and those where he (or she) is not working.

(iv) Special attention is paid to households where the head is under retirement age but is not able to work or to seek work. This group contains many one-parent families, student households, and households headed by a disabled person. Many cash benefits are designed to help such people and it is shown that their position is substantially improved by the social security system.

CHART 1
**Stages of redistribution**


Earnings from employment and self-employment
plus
Occupational pensions and annuities
plus
Investment income (including income from property)
plus
Other income (eg alimony, imputed income from rent-free accommodation, etc)
Equals ORIGINAL INCOME before government intervention
Plus CASH BENEFITS (State retirement pensions, etc)
Equals GROSS INCOME
Minus DIRECT TAXES (Income tax and employees' NI contributions)
GOVERNMENT REVENUE (60·2% allocated to households)
GOVERNMENT EXPENDITURE (47·6% allocated to households)
Equals DISPOSABLE INCOME
Minus INDIRECT TAXES (Rates, VAT etc)
Plus BENEFITS IN KIND (Education, Health, etc)
Equals FINAL INCOME

### Introduction

Chart 1 illustrates the stages of redistribution examined in this article. Initially, households receive income from various sources: as a result of their employment (eg, wages and salaries, income from self-employment); from occupational pensions; from their investments; from other households (eg, gifts and alimony payments) and from private non-profit making institutions such as charities. Total income from these sources constitutes *original income*, that is, the income received by a household before Government intervention. The flow chart shows the various ways in which Government then raises revenue from households and distributes benefits to them both in cash and in kind. This article aims to quantify the effects of these actions on the distribution of income amongst households.

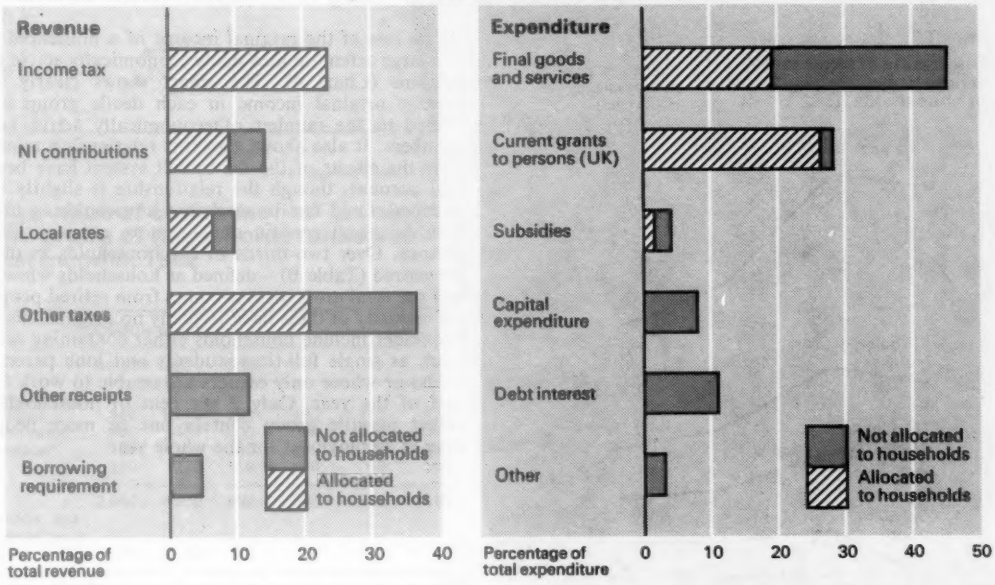
The main source of data is the Family Expenditure Survey (FES), 1982. This survey collects information from households on their composition and on the income, direct tax payments and expenditure of each household member. The improved response rate to the survey observed in 1981 was maintained in 1982, when 7 428 households participated, a response rate of 71.8 per cent. FES data is supplemented by other sources, particularly in the imputation of benefits in kind.

It has been possible to allocate to individual households only 60 per cent of Government revenue and 48 per cent of expenditure (Charts 1 and 2). The remaining items of revenue and expenditure have not been allocated to households either because it would be inappropriate to do so (eg, the Government Borrowing Requirement) or because the data required to do so are not available (eg, expenditure on personal social services). Since the total amount of revenue allocated exceeds the total amount of benefits, less significance must be attached to the exact figures of 'gains' and 'losses' than to broad patterns of redistribution, particularly in the middle income ranges.

The methods used in preparing the estimates are explained in Appendix 1 and the detailed results are given in Appendix 3.

CHART 2

**Allocated and unallocated items of government revenue and expenditure**



## Summary of the effects of taxes and benefits, 1982

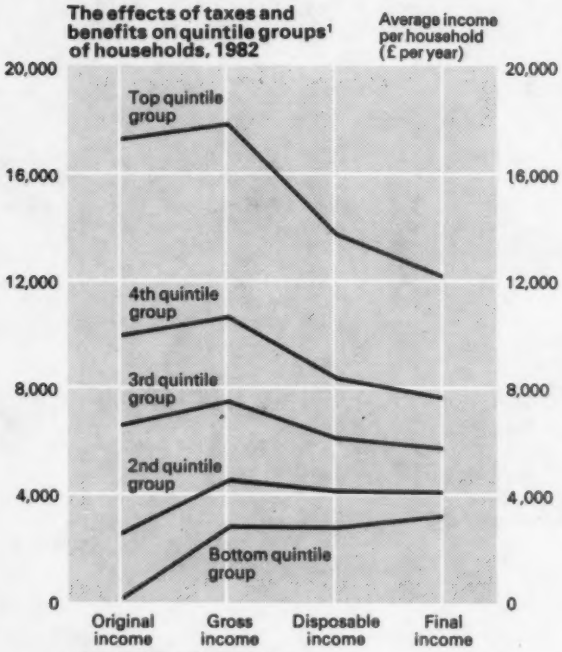
TABLE A

| | Quintile groups of households ranked by original income | | | | | Average over all households |
|---|---|---|---|---|---|---|
| | Bottom | 2nd | 3rd | 4th | Top | |
| **Average per household (£ per year)** | | | | | | |
| Original income | 150 | 2 620 | 6 690 | 10 040 | 17 390 | 7 380 |
| *plus* cash benefits | 2 690 | 1 970 | 890 | 680 | 540 | 1 350 |
| Gross income | 2 830 | 4 580 | 7 580 | 10 720 | 17 920 | 8 730 |
| *less* direct taxes | 10 | 430 | 1 430 | 2 280 | 4 100 | 1 650 |
| Disposable income | 2 820 | 4 160 | 6 150 | 8 440 | 13 820 | 7 080 |
| *less* indirect taxes | 740 | 1 220 | 1 710 | 2 190 | 3 050 | 1 780 |
| *plus* benefits in kind | 1 140 | 1 200 | 1 360 | 1 420 | 1 490 | 1 320 |
| Final income | 3 220 | 4 130 | 5 790 | 7 670 | 12 280 | 6 620 |
| *Percent that are public sector tenants* | *57* | *38* | *33* | *20* | *12* | *32* |
| **Average per household (number)** | | | | | | |
| Children (ie, under 16) | 0.4 | 0.5 | 0.9 | 0.9 | 0.7 | 0.7 |
| Adults | 1.4 | 1.7 | 2.0 | 2.2 | 2.7 | 2.0 |
| Retired people | 0.9 | 0.7 | 0.2 | 0.1 | 0.1 | 0.4 |
| Economically active people[1] | 0.1 | 0.7 | 1.4 | 1.7 | 2.2 | 1.2 |

[1] See Appendix 1, para 11 for definition of economically active.

CHART 3

**The effects of taxes and benefits on quintile groups[1] of households, 1982**




[1] Households are ranked throughout by their original incomes

## PART I

### RESULTS FOR ALL HOUSEHOLDS

*Original income*

Distribution of household original income is highly unequal (Table A and Chart 3). The 20 per cent of households with lowest original income (the lowest 'quintile group') had an average original income of only £150 per annum in 1982, compared with an average original income of about £17 400 per annum in the highest quintile group.

The size of the original income of a household depends to a large extent on how many economically active people it contains (Chart 4). This chart shows clearly that the average original income in each decile group is closely related to the number of economically active household members. It also shows that this relationship remains true after the effects of the tax-benefit system have been taken into account, though the relationship is slightly less pronounced. Only one in seventeen households in the lowest quintile group contain one or more economically active persons. Over two-thirds of the households in this group are retired (Table B) – defined as households where at least half the total gross income comes from retired people – and the majority of these have virtually no original income. The remainder include households either containing no earners (such as single full-time students and lone parent households) or whose only earners are unable to work for all or part of the year. Only 2 per cent of households in this lowest quintile group contain one or more people who were in employment for the whole year.

### The composition of each quintile group of households ranked by original income,[1] 1982

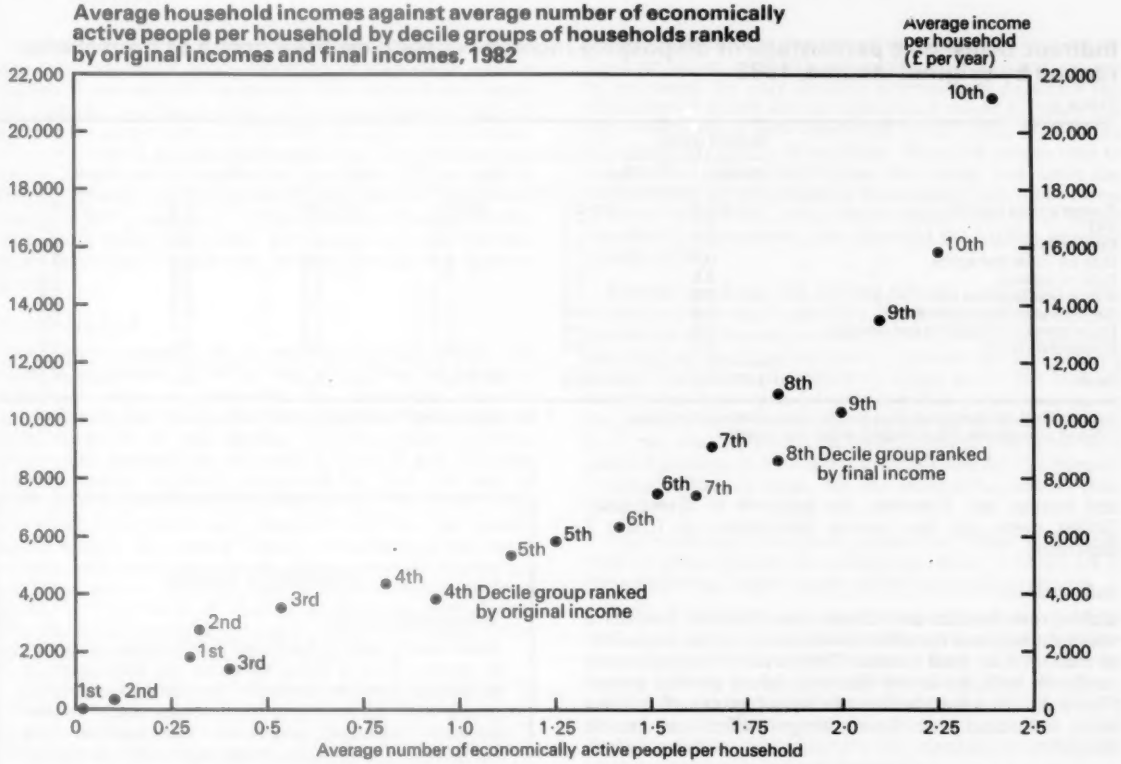
TABLE B

| | Quintile group | | | | | |
|---|---|---|---|---|---|---|
| | Bottom | 2nd | 3rd | 4th | Top | Total |
| **Percentages** | | | | | | |
| Household type | | | | | | |
| 1–2 adults retired | 68 | 38 | 5 | 1 | — | 23 |
| 1 adult (other) | 9 | 16 | 14 | 7 | 2 | 9 |
| 2 adults (other) | 5 | 15 | 24 | 28 | 28 | 20 |
| 2 adults with children | 8 | 16 | 41 | 39 | 24 | 26 |
| 3 or more adults | 3 | 9 | 15 | 24 | 45 | 19 |
| 1 adult with children | 7 | 5 | 1 | 1 | — | 3 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |

[1] Appendix 3, Table 7 gives fuller details.

CHART 4

**Average household incomes against average number of economically active people per household by decile groups of households ranked by original incomes and final incomes, 1982**




## Average value of cash benefits[1] for each quintile group of households ranked by original income, 1982

TABLE C

| | Quintile group | | | | | |
|---|---|---|---|---|---|---|
| | Bottom | 2nd | 3rd | 4th | Top | Total |
| **£ per household** | | | | | | |
| Age-related | 1 340 | 1 110 | 280 | 160 | 110 | 600 |
| Income-related | 990 | 480 | 200 | 140 | 130 | 390 |
| Child-related | 100 | 150 | 280 | 290 | 230 | 210 |
| Other[2] | 250 | 230 | 130 | 90 | 60 | 150 |
| Total | 2 690 | 1 970 | 890 | 680 | 540 | 1 350 |
| Cash benefits as a percentage of gross income | 95 | 43 | 12 | 6 | 3 | 15 |

[1] Appendix 3, Table 5 gives more details of cash benefits.
[2] Mainly related to sickness and disability.

## Direct taxes as a percentage of gross income for each quintile group of households ranked by original income, 1982

TABLE D

| | Quintile group | | | | | |
|---|---|---|---|---|---|---|
| | Bottom | 2nd | 3rd | 4th | Top | Total |
| Income tax | 0.3 | 7.4 | 13.9 | 15.8 | 18.1 | 14.5 |
| National Insurance contributions | — | 2.0 | 5.0 | 5.4 | 4.8 | 4.4 |
| Total | 0.4 | 9.3 | 18.9 | 21.2 | 22.9 | 18.9 |

Chart 3 shows how the dispersion of incomes is reduced at each stage of redistribution, so that average final income ranges from £3 220 to £12 260, a ratio of about 1: 4 compared with the ratio of original incomes of about 1: 120. Each stage will now be examined in more detail.

*Cash benefits*

Most cash benefits are designed to help the *aged*, the *sick* and *disabled*, and people on *low incomes* (Table C); such individuals are concentrated in households located in the lowest original income ranges. The major exceptions are *child-related benefits* (mainly Child Benefit), which on average are much larger in the top half of the distribution than the bottom half because in the top half there are more children per household than at the lower end. Nevertheless, the overall effect of the payment of cash benefits is to make a significant reduction in income inequality.

*Direct taxes*

Direct taxes are assessed mainly on original income. Although certain cash benefits such as retirement pensions and (from July 1982) unemployment benefits are subject to income tax, the personal tax allowances are large enough to prevent households at the lower end of the income scale from paying much tax. The percentage of gross income paid in *income tax* rises from 0.3 per cent for the lowest quintile group to just over 18 per cent for the highest (Table D). The size of *employees' National Insurance contributions* paid by each household varies with the number of persons who are in employment and with household income, although the existence of an earnings ceiling and the freedom of some working wives to elect to pay reduced contributions means that the correlation between income and contributions is not as strong as that between income

## Indirect taxes[1] as a percentage of disposable income for each quintile group of households ranked by original income, 1982

TABLE E

| | Quintile group | | | | | |
|---|---|---|---|---|---|---|
| | Bottom | 2nd | 3rd | 4th | Top | Total |
| Domestic rates (net)[2, 3] | 3.4–7.3 | 5.4–6.0 | 4.5–4.7 | 3.8–3.9 | 2.9 | 3.7–4.2 |
| VAT | 5.1 | 7.2 | 7.3 | 7.4 | 6.8 | 7.0 |
| Duty on beer | 0.7 | 1.0 | 1.2 | 1.1 | 0.9 | 1.0 |
| Duty on wines and spirits | 0.7 | 1.2 | 1.1 | 1.0 | 1.2 | 1.1 |
| Duty on tobacco | 3.5 | 3.5 | 3.1 | 2.3 | 1.5 | 2.4 |
| Duty on hydrocarbon oils | 0.6 | 1.4 | 1.8 | 1.8 | 1.6 | 1.6 |
| Car tax and vehicle excise duty | 0.4 | 0.9 | 1.0 | 1.0 | 0.9 | 0.9 |
| Other taxes on final goods and services | 1.6 | 1.6 | 1.5 | 1.4 | 1.1 | 1.3 |
| Intermediate taxes | 6.2 | 6.6 | 6.1 | 5.9 | 5.1 | 5.8 |
| Total[2] | 23.0–26.2 | 28.9–29.5 | 27.7–27.9 | 25.8–25.9 | 22.1 | 24.8–25.2 |

[1] Appendix 3, Table 6 gives more detailed figures on indirect taxes.
[2] Net of rate rebates, but including water, etc. charges.
[3] The ranges reflect the alternative treatment of rates – see box below.

and income tax. However, the payment of direct taxes further evens out the income distribution as Chart 3 illustrates.

*Indirect taxes*

Unlike cash benefits and direct taxes, indirect taxes as a whole do not have the effect of reducing income inequality, as measured by final income. Their overall impact is very similar in both the lowest and the highest quintile groups (Table E). However, within the broad group of indirect taxes, individual taxes have divergent effects on income inequality.

Households in the bottom quintile group, particularly the retired, pay on average a smaller proportion of their disposable income in VAT than other households because low income households tend to spend a higher proportion of their income on goods which are zero-rated, such as food. They are also less likely to be car owners and will hence pay less car tax and vehicle excise duty. Taxes on housing, in the form of domestic rates (together with water charges etc, but net of rebates), form a comparatively high proportion of expenditure of the lower quintile group, though this proportion declines if rates payments covered by Supplementary Benefit are excluded (See Box). On the other hand, these households pay the largest proportion of disposable income on tobacco duty.

## Average value of benefits in kind[1] for each quintile group of households ranked by original income, 1982

TABLE F

| | Quintile group | | | | | Average over all households |
|---|---|---|---|---|---|---|
| | Bottom | 2nd | 3rd | 4th | Top | |
| **£ per household** | | | | | | |
| Education | 290 | 440 | 620 | 710 | 730 | 560 |
| Welfare foods | 30 | 30 | 20 | 20 | 20 | 30 |
| Health | 680 | 610 | 570 | 540 | 550 | 590 |
| Housing subsidy | 120 | 90 | 80 | 50 | 40 | 80 |
| Other | 10 | 30 | 60 | 90 | 150 | 70 |
| Total | 1 140 | 1 200 | 1 360 | 1 420 | 1 490 | 1 320 |
| Benefits in kind as a percentage of final income | 35 | 29 | 23 | 18 | 12 | 20 |

[1] Appendix 3, Table 6 gives more detailed figures on benefits in kind.

### INDIRECT TAXES

*Intermediate taxes*

Some taxes, such as VAT and excise duties on petrol or spirits, have a *direct* effect on the final price of goods and services. However, the producers of these goods and services also incur taxes such as employers' National Insurance contributions and surcharge, non-domestic rates and duty on hydrocarbon oils, part of which they may pass on to households through increases in the price of their products. These are called intermediate taxes.

*Rates paid by Supplementary Benefit recipients*

The FES records in full the rent and rates payments of households receiving Supplementary Benefit (SB), despite the fact that these costs are met in part or in full by the DHSS. In other words, although they themselves pay their rent and rates bills, at least part of the money to do so is provided by the DHSS specifically for this purpose. There is thus a dilemma in deciding how to treat the rates payments of SB recipients: whether (*a*) to show the full payment as part of their indirect tax payments, or (*b*) to show them paying only the amount not covered by SB on the argument that this represents their effective rates burden. In Tables E, N and T, ranges are given for rates payments: the higher point has been calculated on assumption (*a*), and the lower point on assumption (*b*). In all other tables the payment is shown in full. The Unified Housing Benefit scheme, which came into operation on 22 November 1982 for certain SB recipients, meant that such households were switched to a rebate system of housing benefit which had the effect of reducing their income with a matching reduction in their rent and rates payments. The effect of this change on 1982 FES data is considered to have been minimal and therefore no adjustments have been made. Treatment of the new scheme will be discussed in detail in next year's article.

For the remaining 80 per cent of households, total indirect tax payments as a proportion of disposable income decline as one ascends the income scale. Apart from spending patterns, one factor which affects the impact of indirect taxes is the proportion of disposable income which is saved. Thus, as Table E shows, the overall impact diminishes from about 29 per cent in the second quintile to 22 per cent in the top quintile, partly because higher income households save a larger proportion of their income than households with more modest incomes. The impact of most indirect taxes taken individually also declines for the top quintile group.

*Benefits in kind*

Government expenditure in providing certain goods and services to households either free at the time of use or at subsidised prices is converted by imputation into the equivalent of an income flow to individual households in order to arrive at final income. The two major items for which such imputations are made are *health* and *education* services, which together accounted for 20.4 per cent of total general government expenditure in 1982. Other items for which imputations are made are *welfare food* (*mainly school meals*), the *housing subsidy*, the *passenger rail travel subsidy*, and expenditure on the *option mortgage scheme* and on *life assurance premium relief*, together accounting for a further 2.5 per cent of general government expenditure. Details of the methodology used for making the imputations are given in Appendix 1 (paragraphs 29–36).

Education benefit to individual households is imputed by reference to the number of pupils and students in the household (students living away from home are excluded). Since households in the upper half of the income distribution have, on average, more children than those in the lower half (Table A) and children in high income households tend to spend longer in education, education benefit increases as income increases (Table F). On the other hand, although most welfare foods benefit children too, their impact is greatest in the lower income groups since children from low income households are more likely to take school meals and to have them provided free of charge.

Expenditure on health services has been allocated to individuals according to the average cost to the Exchequer of each type of service and to the estimated use made of each service by people of different age and sex. Benefits are then summed for the members of the household to yield figures on a household basis, so that not only the sex-age composition but also the size of the household determines the distribution of health service benefits. Age and sex are by no means the only possible determinants on which the allocation of health service expenditure might be based but age is certainly a very important factor. Data availability also limits the choice of variables. Since old people tend to use health services more than the young and since the services they use are generally more costly than other forms of care, households in the lowest quintile group, in which the elderly predominate, are allocated the highest imputed benefit (£680).

Broadly speaking, the housing subsidy is regarded as the extent to which local authority current expenditure exceeds income on the housing revenue account; in the calculations, tax relief on mortgage interest is regarded not as a housing subsidy but as an adjustment to direct taxes. The housing subsidy has been spread between public sector tenants. As the proportion of households who are public sector tenants is 57 per cent in the lowest quintile group compared with only 12 per cent in the highest group (Table A), the imputed housing subsidy is larger for low income households than for others.

The remaining three items, grouped as 'Other' in Table F, tend to benefit people of working age, most of whom are in the middle and upper ranges of the income distribution.

Table F shows that in absolute terms the average of all benefits in kind as a result of these government expenditures increases with household income, from £1 140 for the lowest quintile group to £1 490 for the highest. However, as a proportion of final income, benefits decrease from 35 per cent in the lowest quintile to 12 per cent in the highest quintile, indicating that this expenditure contributes to the reduction in income inequality.

**Summary**

Taken together taxes and benefits reduce income inequality. Cash benefits have the greatest impact and only indirect taxes actually increase inequality, though marginally. An alternative way to illustrate the extent of income redistribution is to examine how income shares are modified by the tax-benefit system (Table G). For example, households in the highest quintile group receive 47 per cent of all original income. After receiving cash benefits, this group's share falls to 41 per cent. At the other end of the scale, the share of the lowest quintile group rises from 0.4 per cent to 5.7 per cent. Further, but comparatively smaller, compressions of the income distribution occur at the stages of *disposable* and *final* income.

Though not without its drawbacks the Gini coefficient is the most widely used single summary measure of the inequality of the distribution of income (see paragraph 38 of Appendix 1). It takes values between 0 and 100 per cent – the higher values indicating greater inequality. While it is dangerous to draw detailed conclusions from isolated changes in the Gini coefficient, the reduction in the Gini values from 48.2 per cent to 36.2 per cent shown in Table G clearly confirm that cash benefits produce the largest reduction in income inequality.

## Percentage shares of total household income, 1982

TABLE G

| | Percentage in each quintile group of households, re-ranked at each stage | | | |
|---|---|---|---|---|
| | Original income | Gross income | Disposable income | Final income |
| Quintile group | | | | |
| Bottom .. .. | 0.4 | 5.7 | 6.8 | 6.9 |
| 2nd .. .. | 7 | 11 | 12 | 12 |
| 3rd .. .. | 18 | 18 | 18 | 18 |
| 4th .. .. | 27 | 25 | 24 | 24 |
| Top .. .. | 47 | 41 | 40 | 39 |
| Total .. .. | 100 | 100 | 100 | 100 |
| Decile group | | | | |
| Bottom .. .. | — | 2.3 | 2.8 | 2.7 |
| Top .. .. | 29 | 25 | 24 | 24 |
| Gini coefficient (per cent) .. | 48.2 | 36.2 | 33.2 | 33.0 |

## REDISTRIBUTION WITHIN HOUSEHOLDS CLASSIFIED BY COMPOSITION

The income of a household depends on its composition as well as on the incomes of its individual members. Therefore the following section examines redistribution within groups of households of similar size and composition. Households are classified into ten groups according to their composition

## The ten household types, 1982

TABLE H

| | 1 adult retired | 2 adults retired | 1 adult non-retired | 2 adults non-retired | 3 or more adults | 1 adult with children | 2 adults 1 child | 2 adults 2 children | 2 adults 3 or more children | 3 or more adults with children | All households |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sample numbers | 939 | 746 | 701 | 1 497 | 843 | 209 | 626 | 897 | 375 | 595 | 7 428 |
| Average per household | | | | | | | | | | | |
| Children | — | — | — | — | — | 1.7 | 1.0 | 2.0 | 3.4 | 1.6 | 0.7 |
| Adults | 1.0 | 2.0 | 1.0 | 2.0 | 3.4 | 1.0 | 2.0 | 2.0 | 2.0 | 3.4 | 2.0 |
| Economically active people[1]–full-time | — | — | 0.7 | 1.2 | 1.9 | 0.2 | 1.1 | 1.0 | 1.0 | 1.8 | 0.9 |
| Economically active people[1]–part-time | — | — | 0.1 | 0.3 | 0.5 | 0.2 | 0.3 | 0.4 | 0.3 | 0.6 | 0.3 |
| Retired people | 1.0 | 1.7 | — | 0.2 | 0.3 | — | — | — | — | 0.1 | 0.4 |
| Average original income (£ per year) | 790 | 1 700 | 5 080 | 9 430 | 12 220 | 2 190 | 9 060 | 9 120 | 8 240 | 12 420 | 7 380 |
| *Percentage that are public sector tenants* | *46* | *40* | *29* | *25* | *30* | *62* | *26* | *21* | *40* | *35* | *32* |

[1] See Appendix 1, para 11 for definition of economically active.

## Percentage shares of income at each stage within each household type,[1] 1982

TABLE J

| | Percentages in each quintile group of households, re-ranked at each stage | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1 adult retired | 2 adults retired | 1 adult non-retired | 2 adults non-retired | 3 or more adults | 1 adult with children | 2 adults 1 child | 2 adults 2 children | 2 adults 3 or more children | 3 or more adults with children |
| **Original income** | | | | | | | | | | |
| Bottom fifth | — | — | 1 | 5 | 6 | — | 5 | 7 | 2 | 6 |
| Next fifth | 1 | 3 | 9 | 13 | 14 | — | 14 | 15 | 13 | 13 |
| Middle fifth | 5 | 9 | 19 | 19 | 19 | 8 | 18 | 19 | 19 | 18 |
| Next fifth | 17 | 21 | 27 | 25 | 24 | 27 | 23 | 23 | 24 | 23 |
| Top fifth | 77 | 67 | 45 | 38 | 36 | 64 | 39 | 36 | 43 | 40 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| **Gross income** | | | | | | | | | | |
| Bottom fifth | 13 | 12 | 6 | 8 | 10 | 10 | 9 | 10 | 9 | 9 |
| Next fifth | 16 | 15 | 12 | 14 | 15 | 14 | 14 | 15 | 14 | 14 |
| Middle fifth | 17 | 17 | 18 | 18 | 19 | 17 | 18 | 19 | 18 | 18 |
| Next fifth | 20 | 21 | 24 | 24 | 23 | 22 | 22 | 23 | 22 | 22 |
| Top fifth | 34 | 36 | 40 | 35 | 33 | 36 | 37 | 34 | 37 | 37 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| **Disposable income** | | | | | | | | | | |
| Bottom fifth | 14 | 13 | 8 | 9 | 11 | 11 | 10 | 11 | 11 | 10 |
| Next fifth | 16 | 16 | 13 | 14 | 15 | 15 | 14 | 15 | 15 | 14 |
| Middle fifth | 18 | 18 | 18 | 18 | 19 | 18 | 18 | 19 | 18 | 17 |
| Next fifth | 20 | 21 | 23 | 23 | 23 | 22 | 22 | 22 | 22 | 21 |
| Top fifth | 31 | 33 | 38 | 35 | 32 | 33 | 36 | 33 | 36 | 37 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| **Final income** | | | | | | | | | | |
| Bottom fifth | 13 | 13 | 7 | 9 | 10 | 10 | 10 | 11 | 12 | 11 |
| Next fifth | 17 | 16 | 13 | 14 | 15 | 15 | 14 | 16 | 16 | 15 |
| Middle fifth | 19 | 19 | 17 | 18 | 18 | 18 | 18 | 19 | 18 | 18 |
| Next fifth | 22 | 22 | 23 | 23 | 23 | 23 | 22 | 23 | 22 | 21 |
| Top fifth | 30 | 31 | 39 | 36 | 34 | 33 | 36 | 32 | 33 | 36 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| **Gini coefficients (per cent)** | | | | | | | | | | |
| Original income | 74 | 65 | 45 | 33 | 30 | 66 | 34 | 28 | 40 | 34 |
| Gross income | 21 | 23 | 34 | 27 | 24 | 26 | 28 | 24 | 28 | 28 |
| Disposable income | 17 | 19 | 30 | 25 | 21 | 23 | 26 | 22 | 25 | 27 |
| Final income | 17 | 18 | 32 | 27 | 23 | 23 | 26 | 21 | 21 | 25 |

[1] Appendix 3, Table 4 gives more data for each household type.

## Average number of economically active[1] people per household by quintile group of original income within household type, 1982

TABLE K

| | Household type[2] | | | | | |
|---|---|---|---|---|---|---|
| | 1–2 adults retired | 1 adult non-retired | 2 adults non-retired | 2 adults with children | 3 or more adults | 1 adult with children |
| **Average per household (number)** | | | | | | |
| Bottom fifth | — | 0.2 | 0.9 | 0.9 | 1.3 | — |
| Middle three-fifths | — | 0.9 | 1.6 | 1.5 | 2.5 | 0.5 |
| Top fifth | 0.1 | 1.0 | 1.8 | 1.7 | 3.0 | 0.9 |

[1] See Appendix 1, para 11 for definition of economically active.
[2] In Tables K to N some of the ten household types have been combined. The quintile groups have not been recalculated; the figures shown are simply weighted averages of the quintile groups of the constituent household types.

(Table H). Quantile analysis at each stage of the redistribution process may then be carried out for each group separately. The ten groups chosen comprise two containing retired persons, three including adults only, and five including adults and children. Their exact definitions are given in Appendix 1 (paragraphs 6 to 10).

The highly skewed distribution of original income within the *retired* household groups is very striking (Table J), with the top quintile group receiving over two-thirds of the income. The main components of original income for retired households are occupational pensions and investment income which are concentrated in a small number of households, whilst the majority have very little cash income other than their state pension (a cash benefit).

Since income from employment is the largest component of original income for *non-retired* households, the spread of original income within these groups could be expected to be related to the variation in the number of earners per household. This is particularly true of single adult households, whether or not they have children: at the lower end of the income distribution within lone parent families and single adult households there are substantial numbers of economically inactive persons (Table K).

Table J indicates that income dispersion within each household group is reduced by government intervention through the tax-benefit system. The reductions are particularly marked for retired households, one-parent families, and households with two adults and three or more children. The individual components of the system vary in importance for different groups of households and the following paragraphs examine each redistributive stage separately.

*Cash benefits*

*Age-related* benefits and *child-related* benefits are fairly evenly distributed within the retired household groups and household groups with children respectively (Table L).

## Cash benefits by quintile group of original income within each household type, 1982

TABLE L

| | Household type[1] | | | | | |
|---|---|---|---|---|---|---|
| | 1–2 adults retired | 1 adult non-retired | 2 adults non-retired | 2 adults with children | 3 or more adults | 1 adult with children |
| **Average per household (£ per year)** | | | | | | |
| Age-related | | | | | | |
| Bottom fifth | 1 850 | 350 | 810 | 50 | 890 | 80 |
| Middle three-fifths | 1 950 | 300 | 230 | 20 | 270 | 190 |
| Top fifth | 1 860 | 20 | 80 | 10 | 140 | — |
| Child-related | | | | | | |
| Bottom fifth | — | — | 10 | 580 | 270 | 490 |
| Middle three-fifths | — | — | — | 560 | 250 | 590 |
| Top fifth | — | — | — | 550 | 240 | 540 |
| Income-related | | | | | | |
| Bottom fifth | 620 | 1 180 | 800 | 1 490 | 1 440 | 1 990 |
| Middle three-fifths | 310 | 110 | 90 | 90 | 420 | 1 660 |
| Top fifth | 30 | 30 | 10 | 10 | 190 | 160 |
| Other[2] | | | | | | |
| Bottom fifth | 200 | 340 | 430 | 230 | 670 | 80 |
| Middle three-fifths | 180 | 50 | 100 | 50 | 190 | 60 |
| Top fifth | 90 | 40 | 40 | 30 | 80 | 20 |
| **Total cash benefits as a percentage of gross income** | | | | | | |
| Bottom fifth | 100 | 92 | 47 | 49 | 47 | 100 |
| Middle three-fifths | 81 | 9 | 4 | 8 | 9 | 66 |
| Top fifth | 32 | 1 | 1 | 3 | 3 | 9 |

[1] See footnote [2] to Table K.
[2] Mainly related to sickness and disability.

## Direct taxes as a percentage of gross income by quintile group of original income within each household type, 1982

TABLE M

| | Household type[1] | | | | | |
|---|---|---|---|---|---|---|
| | 1–2 adults retired | 1 adult non-retired | 2 adults non-retired | 2 adults with children | 3 or more adults | 1 adult with children |
| (a) Income tax | | | | | | |
| Bottom fifth | — | 0.7 | 5.7 | 4.7 | 5.9 | — |
| Middle three-fifths | 2.1 | 16.6 | 16.3 | 14.3 | 14.8 | 1.6 |
| Top fifth | 16.6 | 20.6 | 19.3 | 19.0 | 17.7 | 12.1 |
| (b) National Insurance contributions | | | | | | |
| Bottom fifth | — | — | 2.1 | 2.8 | 2.7 | — |
| Middle three-fifths | — | 5.2 | 5.5 | 5.5 | 5.3 | 1.0 |
| Top fifth | — | 5.5 | 4.8 | 4.2 | 4.6 | 4.6 |

[1] See footnote [2] to Table K.

## Indirect taxes as a percentage of disposable income by quintile group of original income within each household type, 1982

TABLE N

| | Household type[3] | | | | | |
|---|---|---|---|---|---|---|
| | 1–2 adults retired | 1 adult non-retired | 2 adults non-retired | 2 adults with children | 3 or more adults | 1 adult with children |
| (a) Domestic rates (net)[2] | | | | | | |
| Bottom fifth[1] | 2.9– 7.8 | 5.0– 8.8 | 4.5– 5.7 | 3.7– 5.6 | 2.6– 4.2 | 1.9– 9.7 |
| Middle three-fifths[1] | 5.4– 7.1 | 5.8– 5.9 | 4.0– 4.1 | 4.4 | 3.0– 3.3 | 2.8– 7.0 |
| Top fifth | 6.5 | 3.8 | 3.0 | 3.3 | 2.4 | 4.4 |
| (b) VAT | | | | | | |
| Bottom fifth | 4.3 | 7.3 | 8.0 | 7.1 | 8.1 | 5.8 |
| Middle three-fifths | 5.2 | 7.5 | 7.2 | 7.5 | 8.0 | 5.1 |
| Top fifth | 6.0 | 6.7 | 6.6 | 6.0 | 6.9 | 6.1 |
| (c) Duty on beer | | | | | | |
| Bottom fifth | 0.4 | 1.9 | 1.0 | 1.1 | 1.5 | 0.5 |
| Middle three-fifths | 0.6 | 1.4 | 1.1 | 1.0 | 1.4 | 0.2 |
| Top fifth | 0.4 | 1.0 | 0.7 | 0.5 | 1.2 | 0.6 |
| (d) Duty on wines and spirits | | | | | | |
| Bottom fifth | 0.5 | 1.0 | 1.4 | 0.5 | 1.2 | 0.4 |
| Middle three-fifths | 1.0 | 1.3 | 1.2 | 0.9 | 1.1 | 0.3 |
| Top fifth | 1.8 | 1.7 | 1.3 | 0.9 | 1.2 | 0.8 |
| (e) Duty on tobacco | | | | | | |
| Bottom fifth | 2.7 | 4.1 | 4.8 | 5.1 | 4.7 | 4.9 |
| Middle three-fifths | 2.2 | 2.8 | 2.5 | 2.4 | 2.9 | 3.5 |
| Top fifth | 1.2 | 1.4 | 1.0 | 1.0 | 1.6 | 1.7 |
| (f) Duty on hydrocarbon oils | | | | | | |
| Bottom fifth | 0.5 | 0.9 | 1.6 | 1.5 | 1.7 | 0.2 |
| Middle three-fifths | 0.7 | 1.6 | 1.8 | 1.8 | 2.0 | 0.7 |
| Top fifth | 1.3 | 1.5 | 1.4 | 1.5 | 1.6 | 1.7 |
| (g) Car tax and vehicle excise duty | | | | | | |
| Bottom fifth | 0.4 | 0.4 | 0.9 | 0.8 | 0.8 | — |
| Middle three-fifths | 0.5 | 1.0 | 1.0 | 1.0 | 1.0 | 0.3 |
| Top fifth | 1.0 | 1.0 | 0.8 | 0.8 | 0.9 | 0.8 |
| (h) Other taxes on final goods and services | | | | | | |
| Bottom fifth | 1.6 | 1.7 | 1.7 | 1.6 | 1.4 | 1.7 |
| Middle three-fifths | 1.7 | 1.3 | 1.3 | 1.5 | 1.3 | 1.6 |
| Top fifth | 1.5 | 1.1 | 1.0 | 1.1 | 1.0 | 1.6 |
| (j) Intermediate taxes | | | | | | |
| Bottom fifth | 5.8 | 8.0 | 6.9 | 6.8 | 6.9 | 6.8 |
| Middle three-fifths | 5.9 | 6.1 | 5.6 | 6.3 | 6.0 | 6.4 |
| Top fifth | 5.6 | 4.9 | 4.7 | 5.1 | 4.9 | 5.5 |
| (k) Total | | | | | | |
| Bottom fifth[1] | 19.8–23.9 | 31.3–34.1 | 31.2–32.1 | 28.8–30.2 | 29.3–30.5 | 23.8–29.9 |
| Middle three-fifths[1] | 23.5–24.8 | 28.9–29.0 | 25.7–25.8 | 26.8 | 26.7–27.0 | 21.8–25.2 |
| Top fifth | 25.3 | 23.1 | 20.6 | 20.2 | 21.7 | 23.2 |

[1] The ranges reflect the possible different treatment of rates – see box on page 86.

[2] Net of rate rebates but including water, etc. charges.

[3] See footnote [2] to Table K.

*Income-related* benefits are, of course, concentrated in the lowest quintile within each household group. *Other* benefits, most of which are related to sickness and disability, are also mainly concentrated in this quintile since their recipients are often economically inactive and therefore have little or no original income.

Thus, much the highest average cash benefit as a proportion of gross income goes to the lowest quintile within each household group. This means that cash benefits reduce income inequality within each group. The reduction is particularly large for retired households where cash benefits, mainly in the form of the state retirement pension, form virtually the whole of their gross income.

*Direct taxes*

Retired households and single-parent households pay very little direct tax, except those in the highest quintile (Table M). Within other household groups *income tax* as a percentage of gross income increases as income rises. However, *National Insurance contributions* form a smaller proportion of gross income at the upper end of the income scale than they do in the middle, because above a certain level of income contributions are at a fixed rate. The combined effect of these two direct taxes is to reduce income inequality within each household group, although they have considerably less impact than do cash benefits.

*Indirect taxes*

Table N shows that indirect taxes reduce income inequality only within the *retired* household group. This reduction is caused mainly by the pattern of their payments of VAT, since retired households spend a high proportion of their income on zero-rated goods such as food and heating. Apart from domestic rates, whose payment may be covered by Supplementary Benefit, only duty on tobacco has its greatest impact on low income households in this group.

In contrast, the overall effect of indirect taxes is to increase income dispersion within most of the *non-retired* household groups. As discussed in the all-households analysis, the percentage of disposable income paid in indirect taxes depends not only on the spending pattern of a household but also on the proportion of disposable income which is saved. The payment of most indirect taxes by non-retired household groups illustrates this general tendency. The highest quintile group pay less as a proportion of disposable income than those in the middle of the income distribution and, in many cases, less than the lowest quintile too. A notable exception is duty on wines and spirits, which rises with household incomes since consumption of these items is more common in higher income households. The fall in the incidence of tobacco duty in absolute terms is particularly marked (tobacco consumption tends to be negatively correlated with income).

*Benefits in kind*

Broadly speaking, benefits from expenditure on education and health are fairly evenly distributed within each household group, although for a variety of reasons low income households tend to receive larger benefits. The highest average benefits from welfare foods go to households with low incomes because of their higher than average use of school meals and the greater likelihood of them being provided free of charge. The average benefit from the housing subsidy is also substantially higher for low income households within each group, because a higher proportion of low income households are public sector tenants. The average value of the 'other' benefits (passenger rail travel subsidy, option mortgage expenditure and life assurance premium relief) is much higher for high income than for low income households in each group. The overall effect of benefits in kind is to reduce income inequality within each household group (see Appendix 3, Table 4).

## PART II

## REDISTRIBUTION WITHIN HOUSEHOLDS CLASSIFIED BY THE EMPLOYMENT STATUS OF THE HEAD

As already shown, the income of a household both before and after redistribution is highly correlated with the number of economically active members it contains. This section of the article will examine in some detail a further aspect of the relationship between income and activity: the way in which taxes and benefits vary according to the employment status of the head of the household.

The FES data allow households to be classified by the employment status of their head, and this is used as the criterion for deriving the following six groups or categories chosen for this analysis:

Households headed by—

A: a self-employed person or an employee who has been in paid work for at least nine months out of the twelve months preceding interview;

B: an employee who has been away from work (either through sickness or unemployment)

(i) for between three and six months of the year preceding interview;

(ii) for between six and twelve months of the year preceding interview;

(iii) for more than 12 months prior to interview;

C: a retired person or an unoccupied person over minimum NI pension age;

D: an unoccupied person under minimum (National Insurance) pension age.

Table P shows the number of households responding to the FES in 1982 which fall into each of these categories and further details of the definitions are given in Appendix 2. For the sake of simplicity the following shorthand labels will be used from time to time in this section.

A – in employment

B – away from work (i) short term
(ii) medium term
(iii) long term

C – retired

D – unoccupied

**Summary of main results**

The impact of the tax-benefit system is different on each of the employment status groups and each is examined separately below. The main results of the analysis are:

(i) It is the households whose head is not in employment (Categories B–D) which naturally gain most through the tax-benefit system compared with those in employment (Category A). In terms of current cash flows, there is redistribution of income from those working to those not working, and hence a reduction in the disparity of income between the two categories (Table P and Chart 5).

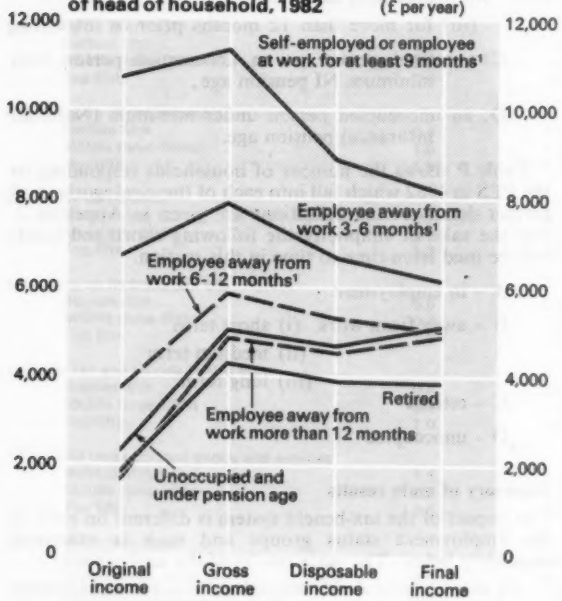
## Summary of the effects of taxes and benefits by employment status category, 1982

TABLE P

| | Employment status of head of household | | | | | | |
|---|---|---|---|---|---|---|---|
| | Self-employed or employee at work[1] for at least 9 months | Employee away from work[1] for 3–6 months | Employee away from work[1] for 6–12 months | Employee away from work[1] for More than 12 months | Retired or unoccupied and over pension age | Unoccupied and under pension age | Average over all households |
| Number of households in the sample .. | 4 474 | 127 | 218 | 218 | 1 887 | 504 | 7 428 |
| **Average per household (£ per year)** | | | | | | | |
| Original income .. .. .. | 10 750 | 6 640 | 3 750 | 1 720 | 1 850 | 2 360 | 7 380 |
| *plus* cash benefits .. .. .. | 620 | 1 260 | 2 130 | 3 110 | 2 440 | 2 650 | 1 350 |
| Gross income .. .. .. .. | 11 370 | 7 900 | 5 880 | 4 830 | 4 290 | 5 010 | 8 730 |
| *less* direct taxes .. .. .. | 2 450 | 1 180 | 580 | 320 | 400 | 340 | 1 650 |
| Disposable income .. .. .. | 8 920 | 6 710 | 5 300 | 4 520 | 3 890 | 4 680 | 7 080 |
| *less* indirect taxes .. .. .. | 2 190 | 2 020 | 1 650 | 1 400 | 980 | 1 380 | 1 780 |
| *plus* benefits in kind .. .. .. | 1 410 | 1 480 | 1 390 | 1 770 | 920 | 1 790 | 1 320 |
| Final income .. .. .. .. | 8 140 | 6 170 | 5 030 | 4 890 | 3 830 | 5 090 | 6 620 |
| Percent that are public sector tenants .. | 23 | 42 | 52 | 62 | 42 | 55 | 32 |
| Percent with female heads of household | 10 | 16 | 12 | 8 | 47 | 48 | 22 |
| **Average per household (number)** | | | | | | | |
| Children .. .. .. .. .. | 0.9 | 1.0 | 1.0 | 1.3 | — | 0.7 | 0.7 |
| Adults .. .. .. .. .. .. | 2.2 | 2.1 | 2.2 | 2.1 | 1.6 | 1.8 | 2.0 |
| People .. .. .. .. .. .. | 3.1 | 3.1 | 3.1 | 3.4 | 1.6 | 2.6 | 2.7 |
| Retired people .. .. .. .. .. | 0.1 | 0.1 | 0.1 | 0.1 | 1.3 | 0.1 | 0.4 |
| **Average age of head of household (years)** | 42 | 41 | 41 | 42 | 72 | 44 | 50 |

[1] During the year prior to interview.

CHART 5
**Effects of taxes and benefits on average household income by employment status of head of household, 1982**




[1] During the year prior to interview

(ii) Of those households whose head is not in employment (Categories B–D), the ones gaining most through the tax-benefit system are those away from work long term, whose final income is nearly three times their original income. The final income of retired and unoccupied households is just over twice their original income.

(iii) Within the group of households whose head is in employment or self-employment (Category A), it appears that there is very little redistribution between high income and low income households.

### Comparison between households classified by employment status

Table Q shows where households classified by employment status are situated in the distribution of *original income*. Those households in which the head is in employment for more than nine months of the year are situated in the upper part of the distribution, with nearly 90 per cent of them in the top three quintile groups. This is to be expected since the main component of original income is earnings from employment and self-employment. Those households where the head has not worked at all during the previous year, whether because he/she is, for example, retired, unemployed, sick or disabled, are concentrated in the bottom two quintile groups, with over half of households in each of these three categories falling in the lowest quintile group.

An examination of the distribution of each employment status group amongst all households ranked by *final income* shows that, although households in employment remain concentrated in the upper part of the distribution, most other categories are much more evenly spread throughout all quintile groups (Table R). The exception is the retired household group where 79 per cent of households remain in the bottom two quintiles.

## The composition of each employment status category by quintile groups of original income, 1982

TABLE Q

| | Quintile groups of original income | | | | | |
|---|---|---|---|---|---|---|
| | Bottom | 2nd | 3rd | 4th | Top | Total |
| **Percentages** | | | | | | |
| Employment status of head of household | | | | | | |
| Self-employed or employee at work[1] for at least 9 months | 1 | 11 | 27 | 30 | 32 | 100 |
| Employee away from work[1] for | | | | | | |
| —3–6 months | 2 | 42 | 31 | 15 | 10 | 100 |
| —6–12 months | 17 | 57 | 14 | 8 | 5 | 100 |
| —more than 12 months | 68 | 19 | 6 | 5 | 2 | 100 |
| Retired or unoccupied and over pension age | 54 | 34 | 8 | 3 | 2 | 100 |
| Unoccupied and under pension age | 52 | 30 | 10 | 6 | 3 | 100 |
| All households | 20 | 20 | 20 | 20 | 20 | 100 |

[1] During the year prior to interview.

Average original income ranges from £1 720 per annum where the head of household has not worked for twelve months or more, to £10 750 per annum where the head has not worked for three months or less, a ratio of 1: 6; after all taxes and benefits this ratio is reduced to 1: 2 (Table P). However, when the groups in Table R are ranked by their final income, those away from work long term move up the income scale and their place at the bottom is taken by households where the head is retired. As illustrated by Chart 5, these two groups start out with very similar original incomes but those away from work long term gain more per household from the tax-benefit system than the retired, mainly because of their receipts of child-related benefits both in cash and in kind. Two other groups switch positions in the income distribution as a result of taxes and benefits: the unoccupied and those away from work medium term, with the unoccupied starting out with about two-thirds the average original income of those away from work medium term but ending up with a slightly higher average final income.

*Category A: Head of Household Self-employed or an Employee In Paid Work For At Least Nine Months*

In 60 per cent of households the head had been in paid employment or self-employment for at least nine months of the preceding year. Thus this group received the highest average original income (£10 750), 95 per cent of which was derived from wages and salaries or self-employment income. Nearly a quarter of this income was earned by members of the household other than the main earner, indicating the importance of second incomes.

Cash benefits form a very small proportion of gross income (5 per cent) and the only payment of any size is of child benefit, which is, of course, related not to income but to the number of children in the household (Table S). Small receipts of other benefits reflect the presence in some households of dependants who may, for example, be retired, full-time students, or unemployed.

This group of households contribute more to government revenue than any other of the employment status groups. Their payments of direct taxes amount to 22 per cent of their gross income, and they are the only group who pay more in direct taxes than in indirect taxes (Table P). Those in employment spend more in absolute terms on VAT-rateable goods than other employment status groups and have higher payments of domestic rates (Appendix 2, Table 1). They pay more than other groups in duties on wines, spirits, and hydrocarbon oils, and, since they are more likely to be car owners, more in car tax and vehicle excise duty. Since most owner-occupiers are to be found in this group, payments of stamp duty on house purchase are also concentrated here. However, this group pays less than most others in duties on tobacco and beer. Nevertheless, although high in cash terms, payments of indirect taxes as a proportion of disposable income are lower than in most other groups because those in employment are

## The composition of each employment status category by quintile groups of final income, 1982

TABLE R

| | Quintile groups of final income | | | | | |
|---|---|---|---|---|---|---|
| | Bottom | 2nd | 3rd | 4th | Top | Total |
| **Percentages** | | | | | | |
| Employment status of head of household | | | | | | |
| Self-employed or employee at work[1] for at least 9 months | 6 | 13 | 23 | 28 | 30 | 100 |
| Employee away from work[1] for | | | | | | |
| —3–6 months | 17 | 22 | 24 | 24 | 13 | 100 |
| —6–12 months | 25 | 28 | 25 | 16 | 7 | 100 |
| —more than 12 months | 34 | 23 | 20 | 12 | 10 | 100 |
| Retired or unoccupied and over pension age | 46 | 33 | 13 | 5 | 3 | 100 |
| Unoccupied and under pension age | 34 | 25 | 19 | 10 | 12 | 100 |
| All households | 20 | 20 | 20 | 20 | 20 | 100 |

[1] During the year prior to interview.

## Average value of cash benefits for each employment status category, 1982

TABLE S

| | Cash benefits | | | | | Cash benefits as a percentage of gross income |
|---|---|---|---|---|---|---|
| | Age-related | Income-related | Child-related | Other[1] | Total | |
| **Average per household (£ per year)** | | | | | | (per cent) |
| Employment status of head of household | | | | | | |
| Self-employed or employee at work[2] for at least 9 months | 140 | 140 | 280 | 70 | 620 | 5 |
| Employee away from work[2] for | | | | | | |
| —3–6 months | 100 | 730 | 290 | 130 | 1 260 | 16 |
| —6–12 months | 80 | 1 520 | 290 | 240 | 2 130 | 36 |
| —more than 12 months | 20 | 2 500 | 360 | 220 | 3 110 | 64 |
| Retired or unoccupied and over pension age | 1 960 | 330 | 10 | 140 | 2 440 | 57 |
| Unoccupied and under pension age | 230 | 1 280 | 240 | 900 | 2 650 | 53 |
| Average over all households | 600 | 390 | 210 | 150 | 1 350 | 15 |

[1] Mainly related to sickness and disability.
[2] During the year prior to interview.

more likely to save than the other employment status groups (Table T).

Although cash benefits are relatively insignificant to the income of this household group, benefits in kind are more important (Table U). In-kind benefits allocated to households in employment (£1 410 per annum) are similar in total to the amount allocated to other non-retired household groups, although as a percentage of final income they are much lower (17 per cent). Imputed income from education and health services accounts for nearly 90 per cent of the total.

Quantile analysis within this category of households produces some interesting results. The distribution of original income amongst quintile groups of households is scarcely different from the distribution of final income (Appendix 2, Table 2), and it thus appears that there is very little redistribution between high income and low income households whose head is in employment/self-employment. However, the fact that these results are on a *household* rather than an *individual* basis means that care must be taken in their interpretation. As already shown, a household's income is highly correlated with the number of earners it contains and therefore there is a natural tendency for the upper quintile groups to have a higher share of both original and final income. A household with several earners will not only, in general, show a higher household original income but the personal tax allowances for the household will be higher than if an equivalent income had been earned by one household member only. The fact that there is little redistribution between high and low income households *on average* does not necessarily mean that there is no redistribution between high and low income households of a given size and composition.

*Category B: Head of Household Away From Work for Three Months or More*

The head of a household may be an employee who has been away from work for a period during the 12 months prior to interview either because of unemployment or because of sickness. Broadly speaking, such persons consider themselves members of the labour force but they have experienced a spell in which they have not been in paid employment. Information derived from the FES indicates that 8 per cent of heads of households in the 1982 sample experienced

## Indirect taxes as a percentage of disposable income for each employment status category, 1982

TABLE T

| | Indirect taxes | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Domestic rates (net)[1, 2] | VAT | Duty on beer | Duty on wine and spirits | Duty on tobacco | Duty on hydro-carbon oils | Car tax and vehicle excise duty | Other taxes on final goods and services | Inter-mediate taxes | Total[1, 2] |
| Employment status of head of household | | | | | | | | | | |
| Self-employed or employee at work[3] for at least 9 months | 3.7 | 7.1 | 1.0 | 1.1 | 2.1 | 1.7 | 0.9 | 1.3 | 5.6 | 24.5 |
| Employee away from work[3] for | | | | | | | | | | |
| —3–6 months | 3.6–4.1 | 8.4 | 1.4 | 1.0 | 3.8 | 2.0 | 0.9 | 1.4 | 7.0 | 29.7–30.1 |
| —6–12 months | 3.4–4.7 | 7.9 | 1.7 | 1.1 | 4.9 | 1.8 | 1.1 | 1.6 | 6.4 | 30.2–31.2 |
| —more than 12 months | 2.0–5.5 | 7.3 | 1.4 | 1.0 | 5.9 | 1.2 | 0.7 | 1.5 | 6.6 | 28.4–31.0 |
| Retired or unoccupied and over pension age | 4.8–6.2 | 5.8 | 0.7 | 1.3 | 2.1 | 1.0 | 0.7 | 1.5 | 5.8 | 23.9–25.1 |
| Unoccupied and under pension age | 3.3–5.4 | 7.8 | 1.0 | 0.9 | 3.9 | 1.4 | 0.7 | 1.5 | 7.0 | 27.9–29.5 |
| Average over all households | 3.7–4.2 | 7.0 | 1.0 | 1.1 | 2.4 | 1.6 | 0.9 | 1.3 | 5.8 | 24.8–25.2 |

[1] Net of rate rebates, but including water, etc, charges.
[2] The ranges reflect the alternative treatment of rates – see box, page 86.
[3] During the year prior to interview.

periods of absence totalling three months or more. These households have been further subdivided by the period their head spent away from work: 3–6 months (short term); 6–12 months (medium term); more than 12 months (long term). Most of the absence is due to unemployment rather than sickness.

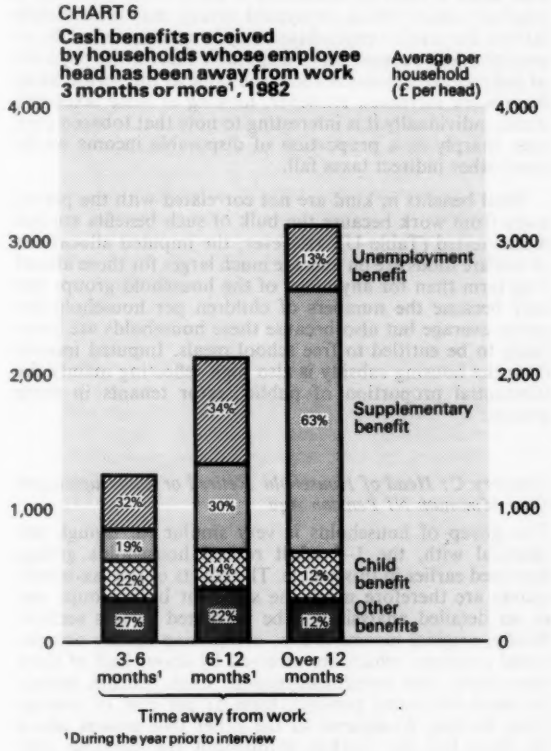
Before examining the effects of the tax-benefit system on these three groups, some of their basic household characteristics are worth noting and in particular how these vary according to the period spent away from work. Though the average number of adults in the household remains almost the same for each of the three groups, those away from work long term tend to have more children (Table R). The proportion of public sector tenants is higher than average within all three groups and tends to rise as the period away from work increases. The average age of the head of household, around 41 years, hardly varies between the three groups and is also virtually identical to the average age of heads in employment. The age distribution of all four groups is also very similar, the only major difference being a rather higher proportion of young heads of households (20–25 year olds) away from work than in the households in employment. Subject to one qualification, it would thus appear from the FES that older economically active heads of households are on average not more likely to experience longer periods away from work than their younger counterparts. The qualification is that an older person who has been away from work for a long period may be more likely to consider himself unoccupied and so be classified as such (see section on the unoccupied below).

As might be expected, average original income drops sharply as the period away from work increases, ranging from £6 640 per annum where the head has been away from work short term to £1 720 for those away from work long term (Table P). Apart from the length of time away from work, another factor in this dispersion is that for those households where the head is married, the longer the period away from work of the head, the less likely his spouse is to be employed.

Chart 5 shows what an important effect the tax-benefit system has in reducing inequality in income between these three household groups (see broken lines on chart). The way in which dispersion is reduced between those away from work long term and those away medium term is particularly striking. Though the former group have, on average, only about half the original income of the latter, the two groups end up with a very similar average final income.

As the period of absence from work increases cash benefits play a more and more important part in household gross income, rising from an average of 16 per cent for those away from work short term to 64 per cent for those away from work long term. Those away from work long term receive the highest cash benefits of all the employment status groups, averaging £3 110 per annum in 1982 (Table S), the bulk of which is income-related. Chart 6 illustrates how the various cash benefits alter in importance in the income of these households as the period away from work increases. The structure of the benefit system is such that the longer households are away from work the more important Supplementary Benefit becomes, both in absolute and percentage terms, whilst receipts of Unemployment Benefit,

CHART 6




## Average value of benefits in kind for each employment status category, 1982

TABLE U

| | Benefits in kind | | | | | | Benefits in kind as a percentage of final income |
|---|---|---|---|---|---|---|---|
| | Education | Welfare foods | Health | Housing subsidy | Other | Total | |
| **Average per household (£ per year)** | | | | | | | (per cent) |
| Employment status of head of household | | | | | | | |
| Self-employed or employee at work[1] for at least 9 months | 700 | 20 | 530 | 60 | 100 | 1 410 | 17 |
| Employee away from work[1] for | | | | | | | |
| —3–6 months | 730 | 60 | 530 | 80 | 80 | 1 480 | 24 |
| —6–12 months | 670 | 60 | 500 | 120 | 40 | 1 390 | 28 |
| —more than 12 months | 900 | 130 | 580 | 120 | 30 | 1 770 | 36 |
| Retired or unoccupied and over pension age | 20 | — | 790 | 90 | 10 | 920 | 24 |
| Unoccupied and under pension age | 1 110 | 60 | 450 | 130 | 40 | 1 790 | 35 |
| Average over all households | 560 | 30 | 590 | 80 | 70 | 1 320 | 20 |

[1] During the year prior to interview.

which is only payable for a year, decline. Child Benefit is highest in absolute terms for households where the head has been away from work long term since on average these households contain more children.

Direct taxes decline as a percentage of gross income as the period away from work lengthens.

Payment of indirect taxes forms a very similar percentage of disposable income for all three groups, about 30 per cent (Table T), a higher proportion than for the other three employment status groups. The contrast between those away from work short term (30 per cent) and those in employment (25 per cent) is particularly marked, although in absolute terms the difference is only slight. This implies that when a head of household is away from work for a relatively short period, household savings may immediately fall but the level of expenditure may be maintained as far as possible. As a proportion of disposable income the payment of indirect taxes remains about the same as the period away from work increases. However, looking at these taxes and duties individually it is interesting to note that tobacco duty rises sharply as a proportion of disposable income whilst most other indirect taxes fall.

Total benefits in kind are not correlated with the period away from work because the bulk of such benefits are not means-tested (Table U). However, the imputed allocations of welfare foods are on average much larger for those absent long term than for any other of the household groups not only because the numbers of children per household are above average but also because these households are more likely to be entitled to free school meals. Imputed income from the housing subsidy is also high reflecting mainly the substantial proportion of public sector tenants in these groups.

*Category C: Head of Household Retired or Unoccupied and Over Minimum NI Pension Age*

This group of households is very similar to, though not identical with, the 1–2 adult retired households groups discussed earlier in this article. The effects of the tax-benefit system are therefore much the same for both groups and so no detailed analysis will be presented in this section. Briefly, original income is low, comprising mainly occupational pensions, which are received by about half of these households, and investment income. Cash benefits, mainly the state retirement pension, form 57 per cent of average gross income. Compared to the other two groups where the head has not worked throughout the previous year (those away from work long term and the unoccupied) retired households pay, on average, a slightly higher proportion of their income in direct taxes. However, they pay, on average, less in indirect taxes than any of the other employment status groups, both in absolute terms and as a proportion of disposable income. Health services comprise 86 per cent of their imputed income from benefits in kind, which in total form 24 per cent of their final income.

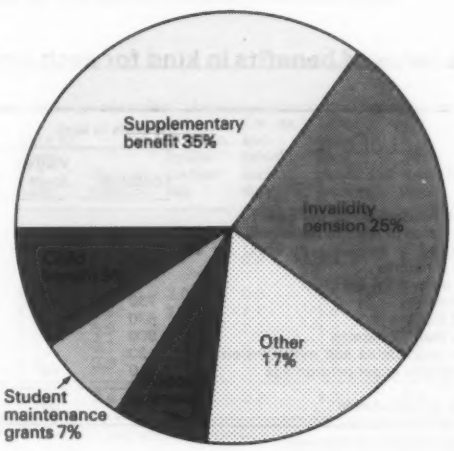
*Category D: Head of Household Unoccupied and Under Minimum NI Pension Age*

This group comprised 7 per cent of FES responding households in 1982. In these households the head is unable either to work or to seek work for a wide variety of reasons: for example, he/she may be disabled, a lone parent looking after young children or a full-time student. A high proportion (55 per cent) are public sector tenants. Nearly half the heads of these households are women, compared with the proportion for all non-retired households of 14 per cent. Many of these women are heading one-parent families but a significant proportion are living alone. The age distribution of the heads of households in this group shows an interesting pattern, with concentrations in the under–25 age range (mainly students) and in the 55–65 age range: in fact 38 per cent of heads are between 55 and 65 years of age. Since most are also men, a possible explanation is that a man of this age who becomes unemployed may not consider it worthwhile to seek work and would thus describe himself as unoccupied and out of the labour force. This would tie in with the rather surprisingly young age distribution of those away from work long term (see above).

It is not surprising that original income within this household group is fairly low, averaging £2 360 per annum (Table R) – the main earner in a household may not necessarily be its head (Appendix 2, paragraph 2). *Other* income is larger than in other household groups averaging £415 per annum compared with an average over all households of £80 (Appendix 2, Table 1). Most of this *other* income comprises contributions from individuals outside the household, such as allowances from absent husbands or alimony.

Cash benefits constitute just over half the average gross income of this household group. The types of cash benefit received reflect the diverse composition of the group (Chart 7). Supplementary Benefit plays the major role since most households are on low incomes: it may be recalled that over half of households whose head is unoccupied appear in the lowest quintile group when all households are ranked by original income (Table Q). Other cash benefits are directly linked to the reason the head of household cannot work, for example, invalidity pensions and student maintenance grants. Since many households are lone-parent families or women living alone, child benefits and widows pensions are also important.

CHART 7
**Composition of cash benefits received by households whose head is unoccupied and under pension age, 1982**



On average these households pay only 7 per cent of their gross income in direct taxes because most of the cash benefits they receive are non-taxable. Table T shows that their payment of indirect taxes as a proportion of disposable income is higher than the average over all households and that the proportions paid in VAT, duty on tobacco, and intermediate taxes are well above the average for these items. However, because of their expenditure pattern they pay less than average in duties on wines and spirits, and in car tax, vehicle excise duty and duty on hydrocarbon oils.

Households where the head is unoccupied are, on average, the recipients of the highest benefits in kind (Table U). Imputed receipts of education benefit are nearly twice the average for all households and constitute 62 per cent of all such benefits allocated to this household group. The explanation is not that the average number of children per household is higher in this group than in any of the other non-retired household groups – it is lower – but that there are a significant number of households comprising only students in higher education for whom the cost per head to the Exchequer is substantially greater than the cost per school pupil.

# APPENDIX 1

## Methodology and Definitions

**The allocation of government expenditure and its financing**

1. There are considerable difficulties in moving from the aggregates of government expenditure and financing published in the *National Income and Expenditure* Blue Book to apportioning taxes and benefits to individual households. We can obtain information about the types of household that receive cash benefits and pay direct taxes through surveys such as the Family Expenditure Survey (FES). From the replies respondents give to questions on their expenditure we can impute their payments of indirect taxes, and from information they supply about such factors as their ages and the number of children in the household we can estimate the average costs of providing them with social services, such as health and education. But there are other kinds of financing, such as corporation tax and government receipts from public corporations, which are not covered in the FES and which are difficult to apportion to individual households. Indeed, most people would probably not think of these as leading to a reduction in their personal incomes. Similarly, there are other items of government expenditure, such as capital expenditure and expenditure on defence and on the maintenance of law and order, for which there is no clear conceptual basis for allocation, or for which we do not in any event have sufficient information to make an allocation.

**Family Expenditure Survey**

2. The estimates in this article are based mainly on data derived from the FES. The FES is a continuous survey of the expenditure of private households. People living in hotels, lodging houses, and in institutions such as old peoples' homes are excluded. Each adult keeps a full record of payments made during 14 consecutive days and answers questions about hire purchase and other payments. He also gives detailed information, where appropriate, about income (including cash benefits received from the state) and payments of income tax. Information on age, occupation, education received, family composition and housing tenure is also obtained.

3. One of the main purposes of the FES is to yield information on household expenditure patterns to produce the weights used in compiling the index of retail prices. The survey is conducted by the Office of Population Censuses and Surveys on behalf of the Department of Employment who analyse and report on it. The *Family Expenditure Survey Report* for 1982, containing detailed data on household characteristics, income, and expenditure, will be published shortly. Details of the survey method are set out in *Family Expenditure Survey Handbook* by W F F Kemsley, R U Redpath and M Holmes. Both are published by Her Majesty's Stationery Office.

4. The number of households co-operating in the FES in 1982 was 7 428. The response rate was 71.8 per cent.

5. The available evidence suggests that older households, households where the head is self-employed, those without children and higher income households, are less likely to co-operate than others. In addition response in Greater London is noticeably lower than in other areas (see 'Family Expenditure Survey: a study of differential response based on a comparison of the 1971 sample with the census' by W F F Kemsley, *Statistical News* No. 31, November 1975 (HMSO)). It is not practicable at present to correct for any consequential non-response bias: the results in the article are based on the responses of those households which actually co-operated in the survey. This means that some of the figures differ from those produced by other surveys (see also 'Differential response in the Family Expenditure Survey: the effect on estimates of redistribution of income' by R Harris in *Statistical News* No. 39, November 1977 (HMSO)).

**Unit of analysis**

6. The basic unit of analysis in the article is the household, and not the family or the individual. A household is defined in the FES as comprising people who live at the same address and who share common catering for at least one meal a day. Spending on many items, particularly on housing, fuel and light and food, is largely joint spending by the members of the household. Without further information or assumptions it is impossible to apportion indirect taxes between individuals or other sub-divisions of households. It would also be far from simple to apportion income, direct taxes and benefits.

7. In classifying the households, adults have been taken as all people aged 16 and over. Most of the 'extra' adults in households with at least three adults are sons or daughters of the head of household rather than retired people.

8. A *retired* household is defined as one in which the combined income of members who are at least 60, and who describe themselves as retired or unoccupied, amounts to at least half the total gross income of the household; or in which the head is over state pension age, and more than three quarters of the household's income consists of national insurance retirement and similar state pensions, or related supplementary benefit.

9. By no means all retired people are in retired households; about one in three households comprising three or more adults contain retired people, for example, and households comprising one retired and one non-retired adult are often classified as non-retired.

10. The sample households have been classified according to their compositions at the time of the interview; it is particularly important to bear this in mind for households comprising one adult with children – it is likely that many of these households changed their composition at some time during the year.

11. *Economically active* people comprise employees, the self-employed and others not in employment but who are seeking or intending, when able, to seek work. In 1982 there were changes in the FES in the definition relating to economic activity. The effect of these changes is to exclude *all* those out of employment for more than a year rather than five years. This exclusion applies regardless of the fact that they may still describe themselves as seeking work. Also excluded are those who have not been in paid employment since leaving full-time education unless they have worked within the previous year; certain of the part-time self-employed with very small incomes; and those whose only economic activity is working as mail-order agents or baby-sitters. Therefore figures on economic activity given in this article are not comparable with those given in previous articles in this series.

**Income: redistributive stages**

12. *Stage one*

Original income *plus* cash benefits = Gross income.

*Stage two*

Gross income *minus* direct taxes = Disposable income.

*Stage three*

Disposable income *minus* indirect taxes *plus* other benefits = Income after all taxes and benefits (final income).

13. The starting point of the analysis is *original income*. This is the annual income in cash and kind of all members of the household before the deduction of taxes or the addition of any state benefits. It includes income from employment, self-employment, investment and occupational pensions. Employment income is based on the last payment received before the interview or, where different, the amount usually received. Allowance is made for any periods of absence from work through sickness and unemployment in the preceding twelve months, and for bonuses. Income from self-employment is recorded in the FES for a past period. This is brought up to current levels using an index of income from self-employment derived from the National Accounts. Income from interest, dividends and rent is taken as the amount received in the 12 months before the interview. Income from occupational pensions is based on the last payment received.

14. Households living in rent-free dwellings are each assigned an imputed income based upon the rateable value of the dwelling. This is counted as employment income if the tenancy depends on the job.

15. The next stage of the analysis is to add on *cash benefits* to original income to obtain *gross income*. This is slightly different to the 'gross normal weekly income' used in the FES Report, mainly because it excludes the imputed rent of owner-occupiers. Cash benefits are:

*Age-related*

Retirement and old persons' pension, Widows' benefit, Christmas bonus for pensioners.

*Child-related*

Child benefit, Maternity allowance, Maternity grant.

*Income-related*

Unemployment benefit, Family Income Supplement, Supplementary benefit, Rent rebates and rent allowances, Student maintenance awards.

*Other cash benefits*

War pension, Invalidity pension, Non-contributory invalidity pension, Housewives non-contributory invalidity pension, Invalid care allowance, Attendance allowance, Sickness benefit, Industrial injury disablement benefit, Death grant, other benefits.

16. This division involves some arbitrary allocations (for example, most income-related benefits depend on the number of children in the household), and it differs from classifications used elsewhere. It is adopted in the article purely for the purpose of shedding further light on the redistributive effects of cash benefits.

17. Income from short-term benefits is taken as the product of the last weekly payment and the number of weeks the benefit was received in the 12 months prior to interview. Income from long-term benefits, and from rent rebates and allowances, is based on current rates. The National Accounts (and Table 1 of Appendix 3) include payments made by local authorities to the Department of Health and Social Security in respect of recipients of Supplementary Benefit as 'rent rebates and allowances'. Supplementary Benefit includes all supplementary allowances where they are separately distinguished by respondents.

18. *Direct taxes* are then deducted to give *disposable income*. Direct taxes are:

Income tax
Employees' and self-employed contributions to national insurance and national health services.

19. The estimates are based on the amount deducted from the last payments of employment income and pensions, and on the amount paid in the last 12 months in respect of income from self-employment, interest, dividends and rent. The income tax payments recorded will therefore take account of a household's tax allowances including tax relief on mortgage interest, but not on life assurance premiums, where administrative arrangements are different.

20. As original income includes some elements not actually received in cash, disposable income as defined here does not correspond exactly to money available for the household to spend. It does however give an indication of the resources which are available to the household, and which influence spending decisions.

21. The order in which the remaining allocated items are presented is to some extent arbitrary.

22. *Indirect taxes on final consumer goods and services* are:

Local authority rates on dwellings (after rebates)
Duties on beer, wines, spirits, tobacco, oil, betting, etc.
Value added tax (VAT)
Customs (import) duties
Car tax
Motor vehicle duties
Driving licences
Television licences
Stamp duties

23. These taxes are either levied directly on the consumer (for example domestic rates) or are assumed to be fully incident on the consumer. For example, the amount of VAT which is paid by the household is calculated from the household's total expenditure on goods and services subject to VAT.

24. The figures for *domestic rates* include, as well as local authority rates, charges made by water authorities for water, environmental and sewerage services, although these charges to households in England and Wales are no longer counted as general government receipts in the National Accounts. (In Scotland these payments go to the local authorities and are so counted.) As explained in the article, local authority rates are paid in full by most recipients of supplementary benefit, as the supplementary benefit payments they receive include an allowance for this item. Where ranges are shown (in Tables E, N and T) for the burden of rates (and total indirect taxes), the lower end has been calculated by excluding the rates payments of most SB households, and by subtracting corresponding sums from their gross incomes. For each household where the SB received is less than the total rent and rates bill, however, its gross income and rates payment have been reduced by only a proportion of the SB – the proportion that rates represents of rent and rates combined.

25. VAT and car tax affect the prices of secondhand cars and are therefore assumed to be incident on the purchasers and vendors of such cars. In allocating taxes, expenditures recorded in the FES on alcoholic drink, tobacco, ice cream, soft drinks and confectionery are weighted to allow for the known under-recording of these items in the sample. The true expenditure in each case is assumed to be proportional to the recorded expenditure.

26. The incidence of stamp duty on house purchase on an owner-occupying household has been taken as the product of the hypothetical duty payable on buying the current dwelling (estimated from rateable values) and the probability of a household of that type moving in a given year (estimated from the General Household Survey).

27. *Indirect taxes on intermediate goods and services* are:

Local authority rates on commercial and industrial property
Motor vehicle duties
Duties on hydrocarbon oils
Customs (import) duties
Stamp duties
Employers' contributions to national insurance, the National Health Service, the industrial injuries fund and the redundancy payments scheme
National insurance surcharge.

28. These are taxes that fall on goods and services purchased by industry. Only the elements attributable to the production of subsequent goods and services for final consumption by the UK personal sector are allocated in the article, being assumed to be fully shifted to the consumer. Their allocations between different categories of consumers' expenditure are based on the relation between intermediate production and final consumption using input-output techniques.

29. Finally, we add the effects of *benefits in kind* for which there is a reasonable basis for allocation to households, to obtain *final income*. Benefits in kind are:

State education
School meals, milk and other welfare foods
National Health Service
Housing subsidy
Rail travel subsidy
Option mortgage expenditure
Life assurance premium relief

30. *Education benefit* is estimated by the Department of Education and Science as the cost per pupil or student in special schools, primary, secondary and direct grant schools, universities, and other further education establishments. The value of the benefit attributed to a household depends on the number of people in the household recorded in the FES as receiving each kind of education (students away from home are not counted).

31. The value of *school meals and other welfare foods* is based on their cost to the public authorities. Any payment by the individual households is subtracted to arrive at a net contribution.

32. Each individual in the FES is allocated a benefit from the *National Health Service* according to the estimated average use made of health services by people of the same age and sex, and according to the total cost of providing those services. The benefit from the maternity services is assigned separately to those households receiving maternity grant.

33. In this article public sector tenants are defined to include the tenants of local authorities, New Town Corporations, the Scottish Special Housing Association (SSHA) and the Northern Ireland Housing Executive (NIHE). The total *housing subsidy* includes the net excess of current expenditure over income on the housing revenue accounts of local authorities; and grants paid to the New Town Corporations, the SSHA, the NIHE and the Housing Corporation. Within Greater London, the rest of England, Wales, Scotland and Northern Ireland each public sector tenant has been allocated a share of the region's total relevant subsidy based on the gross rateable value of his dwelling. The grant to the Housing Corporation has been similarly allocated to housing association tenants in the UK. Housing subsidy does not include mortgage interest tax relief, rent rebates and allowances or rate rebates (see paragraphs 19, 15 and 24 respectively).

34. The *rail travel subsidies* allocated are those to British Rail and to London Transport railways (the Underground). They are estimated by calculating the ratio of the cost of the subsidy to consumers' expenditure on rail fares. In allocating the British Rail subsidy the total subsidy paid is apportioned between freight and passenger services by the receipts of British Rail for their freight and passenger business, and then a further apportionment between the personal and the business and other sectors is made. This gives the amount of subsidy attributable to rail travel by the personal sector. In allocating the subsidy to London Transport railways the total subsidy to London Transport is apportioned between tube and bus services by the receipts of these sectors, with an allowance for the use of the Underground for business purposes.

35. *Option mortgages* are those where the building societies (or other bodies) charge a low rate of interest, being compensated for this by payments from central government. The interest payments do not then qualify for tax relief, the scheme being primarily for the benefit of non-taxpayers. The benefit to each household holding an option mortgage is assumed to be in proportion to its last interest payment.

36. Central government makes payments to *life assurance* funds enabling them to reduce their premiums to most policy-holders. The benefit to each household of this expenditure is assumed to be in proportion to its premium payments.

37. It must be emphasised that the analysis in this article provides only a very rough guide to the kinds of household which benefit from government expenditure, and by how much, and to those which finance it. Apart from the fact that large parts of expenditure and receipts are not allocated, the criteria used both to allocate taxes and to value and apportion benefits to individual households could be regarded as too simplistic. For example, the lack of data forces us to assume that the incidence of direct taxes falls on the individual from whose income the tax is deducted. This implies that the benefit of tax relief for mortgage interest, for example, accrues directly to the tax payer rather than to some other party, for example, the vendor of the land. It also implies that the working population is not able to pass the cost of the direct tax back to employers through lower profits, or to consumers through higher prices. And, in allocating indirect taxes we assume that the part of the tax falling on consumers' expenditure is borne by the households which buy the item or the service taxed, whereas in reality the incidence of the tax is spread by pricing policies and probably falls in varying proportions on the producers of a good or service, on their employees,

on the buyer, and on the producers and consumers of other goods and services. Another example is that we know only an estimate of the total financial cost of providing benefits such as education, and so we have to treat that cost as if it measured the benefit which accrues to recipients of the service. In fact, the value the recipients themselves place on the service may be very different to the cost of providing it; moreover, there may be households in the community, other than the immediate beneficiaries, who receive a benefit indirectly from the general provision of the service.

**Gini coefficient**

38. The Gini coefficient is the most widely used summary measure of the degree of inequality in an income distribution. It can most easily be understood by considering a Lorenz curve of the income distribution, ie, a graph of the cumulative income share against the cumulative household share. The curve representing complete equality of income is thus a diagonal line, as in Diagram A, while complete inequality (with only one recipient of income) is represented by a curve comprising the horizontal axis and the right-hand vertical axis.

39. A more typical Lorenz curve is illustrated in Diagram B. The area between the Lorenz curve and the diagonal line of complete equality, as a proportion of the triangular area between the curves of complete equality and inequality, gives the value of the Gini coefficient. This is the shaded area in Diagram B. Thus a distribution of perfectly equal incomes has a Gini coefficient of zero; as inequality increases (and the Lorenz curve bellies out), so does the Gini coefficient until, with complete inequality, it reaches its maximum value of 1 (or 100 per cent).

**Previous articles**

40. This article is the latest in an annual series. Earlier articles covering the years 1957 to 1981 were published in the following issues of *Economic Trends*: November 1962, February 1964, August 1966, February 1968, 1969, 1970, 1971, 1972, November 1972 and 1973, December 1974, February 1976, December 1976, February 1978, January 1979, 1980, 1981 and 1982, December 1982. The January 1981 article contains a comprehensive account of the changes in treatment over the years. As far as is practicable with the resources available, the Central Statistical Office will provide on request analyses for 1982 on a basis comparable with those for earlier years. Enquiries should be addressed to D Westcott, Branch 8, Central Statistical Office, Great George Street, London SW1P 3AQ, Telephone 01–233 8300.

DIAGRAM A

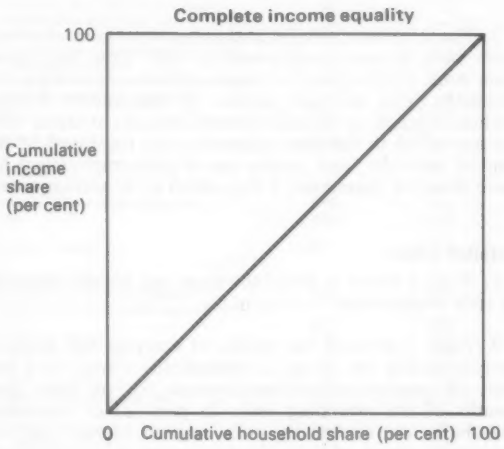
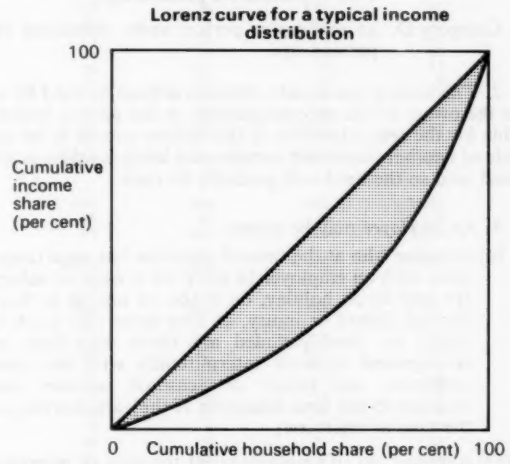



DIAGRAM B



# APPENDIX 2

## Effects of taxes and benefits on households classified by the employment status of the head:

## Notes, definitions and detailed tables.

1. Part II of this year's article examines the way in which taxes and benefits vary according to the *employment status* of the head of the household. The following six categories of households are defined for this analysis:

Households headed by:

Category A: a *self-employed* person, or an *employee* who has been *in paid work for at least nine months* out of the twelve months preceding interview;

Category B: an *employee* who has been *away from work* (either through sickness or unemployment)

— (i) for between *three and six months* of the year preceding interview;

— (ii) for between *six and twelve months* of the year preceding interview;

—(iii) for *more than twelve months* prior to interview;

Category C: a *retired* person or an *unoccupied* person over minimum NI pension age;

Category D: an *unoccupied* person under minimum NI pension age.

2. The *head of household* is broadly defined by the FES to be the owner of the accommodation or the person responsible for the rent. However, if this person proves to be the wife of another household member the latter is taken as the head, and so the head will generally be male.

3. An *employee* may be either:

(*a*) someone who at the time of interview has an arrangement with an employer to work for a wage or salary. He may be on holiday, on strike, or unable to work through illness or injury, as long as he has a job to return to. Also included are those who have an arrangement to work intermittently with the same employer, and casual or seasonal workers and students in full time education if they are working at the time of interview;

*or* (*b*) someone out of employment at the time of interview but who is looking for work or about to start work. This includes those out of employment because of sickness or injury who intend to seek work or are about to start work as soon as they are able. People may be classified as 'employees out of employment' for a period of up to 5 years, after which they are regarded as unoccupied.

4. An employee may have been *away from work* for part or the whole of the year preceding interview due to sickness, maternity leave or unemployment. The period for which he has been away from work is calculated as the total number of weeks for which he did not receive employment income during the 12 months preceding interview. Thus an employee who is in paid work at the time of interview will still be classified in Category B above if he has spent more than three months of the year prior to interview out of paid employment. Some heads of households, whilst still regarded as employees for the purposes of this analysis because they describe themselves as seeking work, may have been out of paid employment for more than 12 months. This group – Category B (iii) – will of course contain no heads currently working or temporarily away from work through sickness or injury.

5. *A self-employed* head of household is someone who works on their own account rather than receive a wage or salary from an employer, and this includes those who are temporarily sick who would be working as a self-employed person if they were well. In the FES, a person is only defined as self-employed if this is their employment status at the time of interview. In practice, few heads who have experienced long periods of absence from work in the recent past will still be self-employed when interviewed. In many respects this category of households is very similar to those headed by employees who have worked for at least nine months of the year and so the two types have been combined as Category A.

6. The *retired* are those who have retired from their full-time occupation, are of the appropriate retirement age for that occupation and are not seeking further employment of any kind. In practice the definition depends on whether or not the respondent describes himself as retired.

7. The term *unoccupied* is used to describe those who have never been in paid employment or who have been away from work for five years or more, and are not seeking employment. This includes people of independent means; women engaged in unpaid domestic duties; students over the age of 16 in full-time education not employed at the time of interview; and people out of paid employment for more than five years even if they claim to be seeking work.

### Detailed tables

8. Table 1 shows in detail the taxes and benefits received by each employment status group.

9. Table 2 presents the results of carrying out quantile analysis within the group of households whose head has been in employment/self-employment for at least nine months of the preceding year. In part (*a*) of the table, households are ranked by their original income and the percentage shares of each quintile group at each stage of the redistributive process are shown. In part (*b*) households have been re-ranked and re-grouped into quintiles at each stage of the analysis. Thus (*a*) shows how each quintile group, based on original income, has fared as a result of the tax-benefit system whereas (*b*) shows how the distribution of income within this category of households as a whole has altered.

10. As discussed in the text of the article (page 94), great care must be taken in interpreting the results in Table 2 since *household* income before and after re-distribution is strongly related to the number of economically active persons in the household. This is illustrated in Table 2 (*c*) which shows how the average number of economically active household members increases as household income increases.

## Average incomes, taxes and benefits, 1982

**By employment status category**

TABLE 1

| | £ per year | | | | | | |
|---|---|---|---|---|---|---|---|
| | Employment status of head of household | | | | | | |
| | Self-employed or employee at work[2] for at least 9 months | Employee away from work[2] for – | | | Retired or unoccupied and over pension age | Unoccupied and under pension age | Average over all households |
| | | 3–6 months | 6–12 months | more than 12 months | | | |
| Number of households in the sample | 4 474 | 127 | 218 | 218 | 1 887 | 504 | 7 428 |
| **Original income** | | | | | | | |
| Earnings of main earner | 7 842 | 4 421 | 2 367 | 937 | 593 | 1 163 | 5 125 |
| Other earnings | 2 394 | 1 655 | 887 | 211 | 60 | 270 | 1 536 |
| Occupational pensions, annuities | 78 | 342 | 214 | 287 | 741 | 258 | 273 |
| Investment income | 383 | 149 | 182 | 261 | 429 | 258 | 361 |
| Other income | 69 | 72 | 98 | 23 | 24 | 415 | 80 |
| Total | 10 745 | 6 640 | 3 748 | 1 719 | 1 848 | 2 365 | 7 376 |
| **Cash benefits** | | | | | | | |
| Age-related | | | | | | | |
| Retirement and old persons' pension | 107 | 54 | 52 | 23 | 1 937 | 42 | 562 |
| Widows' pension | 30 | 42 | 28 | — | 13 | 183 | 35 |
| Christmas bonus for pensioners | 1 | — | 1 | 1 | 13 | 3 | 4 |
| Child-related | | | | | | | |
| Child benefit | 263 | 281 | 289 | 361 | 7 | 234 | 200 |
| Maternity allowance | 13 | 10 | 2 | 1 | — | 4 | 8 |
| Maternity grant | 1 | 2 | 1 | 2 | — | 1 | 1 |
| Income-related | | | | | | | |
| Supplementary benefit | 48 | 241 | 630 | 1 955 | 245 | 925 | 234 |
| Unemployment benefit/TOPS etc, awards | 53 | 411 | 807 | 482 | 16 | 95 | 87 |
| Rent rebates and allowances | 15 | 48 | 69 | 38 | 69 | 75 | 36 |
| Student maintenance grants | 19 | 24 | 3 | 28 | 2 | 185 | 26 |
| Family income supplement | 7 | 8 | 8 | — | 1 | 2 | 5 |
| Other | | | | | | | |
| Invalidity pension and allowance | 10 | 33 | 105 | 115 | 35 | 670 | 68 |
| Sickness, industrial injury benefit | 25 | 75 | 96 | 33 | 4 | 53 | 25 |
| Attendance allowance | 8 | — | 4 | 29 | 21 | 25 | 13 |
| Disablement and war disability pension | 6 | 4 | — | — | 18 | 22 | 10 |
| Industrial injury disablement pension | 7 | 8 | 2 | 25 | 20 | 37 | 13 |
| Mobility allowance | 5 | — | 4 | 21 | 5 | 53 | 9 |
| Non-contributory invalidity pensions | 3 | — | 4 | — | 10 | 26 | 6 |
| Miscellaneous cash benefits | 4 | 14 | 24 | — | 23 | 12 | 10 |
| Total | 625 | 1 256 | 2 127 | 3 114 | 2 441 | 2 647 | 1 351 |
| **Gross income** | 11 370 | 7 896 | 5 876 | 4 833 | 4 289 | 5 012 | 8 727 |
| **Direct taxes** | | | | | | | |
| Income tax | 1 870 | 817 | 367 | 249 | 364 | 263 | 1 269 |
| National insurance contributions | 583 | 366 | 211 | 68 | 38 | 73 | 380 |
| Total | 2 453 | 1 183 | 577 | 317 | 402 | 336 | 1 649 |
| **Disposable income** | 8 917 | 6 713 | 5 298 | 4 516 | 3 886 | 4 676 | 7 078 |
| **Indirect taxes** | | | | | | | |
| Domestic rates (net of rebates)[1] | 331 | 274 | 251 | 250 | 241 | 252 | 297 |
| Taxes on final goods and services | | | | | | | |
| VAT | 632 | 565 | 416 | 331 | 224 | 363 | 494 |
| Duty on tobacco | 190 | 258 | 257 | 268 | 83 | 183 | 168 |
| Duty on beer | 92 | 97 | 90 | 61 | 27 | 46 | 71 |
| Duty on wines | 29 | 16 | 14 | 8 | 10 | 13 | 22 |
| Duty on spirits | 67 | 52 | 43 | 37 | 38 | 32 | 55 |
| Duty on hydrocarbon oils | 152 | 132 | 97 | 54 | 39 | 65 | 113 |
| Car tax | 23 | 16 | 14 | 7 | 5 | 7 | 17 |
| Vehicle excise duty | 60 | 44 | 44 | 24 | 23 | 24 | 46 |
| Television licences | 35 | 30 | 30 | 24 | 28 | 26 | 32 |
| Stamp duty on house purchase | 12 | 4 | 2 | 1 | 2 | 2 | 8 |
| Customs' duties | 35 | 32 | 23 | 19 | 14 | 21 | 28 |
| Other | 31 | 29 | 31 | 22 | 16 | 19 | 26 |
| Intermediate taxes | | | | | | | |
| Commercial and industrial rates | 167 | 155 | 113 | 98 | 76 | 108 | 136 |
| Employers' NI contributions | 217 | 201 | 145 | 125 | 96 | 140 | 176 |
| Duty on hydrocarbon oils | 70 | 67 | 49 | 45 | 32 | 48 | 57 |
| Vehicle excise duty | 22 | 20 | 15 | 14 | 9 | 15 | 18 |
| Other | 25 | 23 | 17 | 15 | 12 | 16 | 21 |
| Total indirect taxes | 2 188 | 2 018 | 1 654 | 1 401 | 976 | 1 379 | 1 783 |
| **Benefits in kind** | | | | | | | |
| Education | 696 | 732 | 666 | 899 | 24 | 1 110 | 559 |
| Welfare foods | 24 | 62 | 63 | 133 | 2 | 64 | 26 |
| National Health Service | 535 | 527 | 501 | 582 | 786 | 450 | 593 |
| Housing subsidy | 57 | 81 | 117 | 123 | 93 | 130 | 75 |
| Rail travel subsidy | 36 | 19 | 8 | 12 | 6 | 21 | 25 |
| Option mortgage scheme | 21 | 35 | 16 | 11 | 1 | 6 | 15 |
| Life assurance premium relief | 40 | 22 | 16 | 11 | 7 | 12 | 28 |
| Total | 1 409 | 1 478 | 1 387 | 1 771 | 918 | 1 792 | 1 322 |
| **Final income** | 8 138 | 6 173 | 5 031 | 4 886 | 3 829 | 5 088 | 6 616 |

[1] Together with water, etc, charges.
[2] During the year prior to interview.

## Households whose head is self-employed or an employee at work[1] for at least 9 months, 1982

TABLE 2

(a)

| Quintile group | Original income | Gross income | Disposable income | Final income |
|---|---|---|---|---|
| | Percentages of income for each quintile group of households ranked by original income | | | |
| Bottom | 8 | 9 | 10 | 11 |
| 2nd | 14 | 14 | 14 | 15 |
| 3rd | 18 | 18 | 18 | 18 |
| 4th | 23 | 23 | 23 | 22 |
| Top | 37 | 36 | 35 | 34 |
| Total | 100 | 100 | 100 | 100 |

(b)

| Quintile group | Original income | Gross income | Disposable income | Final income |
|---|---|---|---|---|
| | Percentages of income for each quintile group of households re-ranked at each stage | | | |
| Bottom | 8 | 9 | 9 | 9 |
| 2nd | 14 | 14 | 14 | 14 |
| 3rd | 18 | 18 | 18 | 18 |
| 4th | 23 | 23 | 23 | 23 |
| Top | 37 | 36 | 36 | 36 |
| Total | 100 | 100 | 100 | 100 |
| Gini coefficient (per cent) | 29.2 | 27.0 | 26.2 | 27.5 |

(c)

| Quintile group | Original income | Gross income | Disposable income | Final income |
|---|---|---|---|---|
| | Average number of economically active people per household in each quintile group of households re-ranked at each stage | | | |
| Bottom | 1.2 | 1.2 | 1.2 | 1.2 |
| 2nd | 1.5 | 1.5 | 1.5 | 1.6 |
| 3rd | 1.8 | 1.8 | 1.8 | 1.7 |
| 4th | 2.0 | 2.0 | 2.0 | 2.0 |
| Top | 2.4 | 2.4 | 2.4 | 2.3 |
| Overall average | 1.8 | 1.8 | 1.8 | 1.8 |

[1] During the year prior to interview.

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## General government expenditure in 1982

TABLE 1

| | £ million | *Percentage of total expenditure* |
|---|---|---|
| **Allocated expenditure** | | |
| **Allocated cash benefits**[1] | | |
| Social security benefits | | |
| National Insurance (contributory) | | |
| Retirement | 13 400 | *10.5* |
| Widows and guardians | 740 | *0.6* |
| Unemployment | 1 580 | *1.2* |
| Sickness | 580 | *0.5* |
| Invalidity | 1 640 | *1.3* |
| Maternity | 160 | *0.1* |
| Disablement | 350 | *0.3* |
| Other | 220 | *0.2* |
| Non-contributory | | |
| Child benefit | 3 580 | *2.8* |
| Supplementary benefit | 6 320 | *4.9* |
| War pension | 480 | *0.4* |
| Other | 1 200 | *0.9* |
| Student maintenance grants | 600 | *0.6* |
| Rent rebates and rent allowances | 750 | *0.6* |
| Allocated benefits in kind[1] | | |
| Health services | 13 120 | *10.2* |
| Education | 13 000 | *10.2* |
| School meals, milk, welfare foods | 530 | *0.4* |
| Option mortgage scheme | 310 | *0.2* |
| Housing subsidy | 1 750 | *1.4* |
| Rail travel subsidy | 590 | *0.5* |
| | 60 900 | *47.6* |
| **Unallocated expenditure** | | |
| **Other current expenditure on social, environmental and protective services** | | |
| Social services | | |
| Social security benefits administration | 1 400 | *1.1* |
| Personal social services | 2 700 | *2.1* |
| Other | 40 | — |
| Environmental services | | |
| Housing | 210 | *0.2* |
| Water, sewerage, land drainage and public health | 1 250 | *1.0* |
| Parks, etc | 740 | *0.6* |
| Miscellaneous local authority services | 900 | *0.7* |
| Libraries, museums, and arts | 620 | *0.5* |
| Protective services | | |
| Police | 2 790 | *2.2* |
| Parliament, courts and prisons | 1 450 | *1.1* |
| Fire services | 570 | *0.4* |
| | 12 660 | *9.9* |
| **Capital expenditure on social, environmental and protective services** | | |
| Social services | 1 630 | *1.3* |
| Environmental services | | |
| Housing | 2 470 | *1.9* |
| Other | 1 280 | *1.0* |
| Protective services | 270 | *0.2* |
| | 5,640 | *4.4* |
| **Other current expenditure** | | |
| Defence and external relations | 16 320 | *12.7* |
| Roads, transport and communications | 2 950 | *2.3* |
| Industry, trade, agriculture, research and employment | 6 160 | *4.8* |
| Other | 2 360 | *1.8* |
| | 27 780 | *21.7* |
| **Other capital expenditure** | 4 590 | *3.6* |
| **Debt interest** | 14 260 | *11.1* |
| **Non-trading capital consumption** | 2 210 | *1.7* |
| **Total expenditure** | 128 040 | *100.0* |

[1] Including benefits to people not living in private households.

Source: *National Income and Expenditure, 1983 edition,* Table 9.4

## Financing of general government expenditure in 1982

TABLE 2

| | £ million | *Percentage of total financing* |
|---|---|---|
| **Allocated financing** | | |
| Allocated taxes[1] | | |
| Direct taxes | | |
| Income tax | 30 270 | *23.6* |
| Employees' and self-employed NI contributions | 8 590 | *6.7* |
| Indirect taxes | | |
| Domestic rates (net of rebates) | 5 650 | *4.4* |
| Taxes on final goods and services | | |
| VAT | 11 540 | *9.0* |
| Duty on beer | 1 460 | *1.1* |
| Duty on wines and spirits | 1 690 | *1.3* |
| Duty on tobacco | 3 520 | *2.8* |
| Duty on hydrocarbon oils | 2 530 | *2.0* |
| Car tax, vehicle excise duty and driving licences | 1 290 | *1.0* |
| Other | 1 430 | *1.1* |
| Taxes on intermediate goods and services | | |
| Employers' NI contributions[2] | 3 030 | *2.4* |
| Commercial and industrial rates | 2 960 | *2.3* |
| Duty on hydrocarbon oils | 1 320 | *1.0* |
| National insurance surcharge | 900 | *0.7* |
| Motor vehicle duty and driving licences | 430 | *0.3* |
| Other | 450 | *0.4* |
| | 77 060 | *60.2* |
| **Unallocated financing** | | |
| Unallocated taxes | | |
| Direct taxes | | |
| Employers' NI contributions not allocated | 6 450 | *5.0* |
| Indirect taxes | | |
| Commercial and industrial rates not allocated | 3 580 | *2.8* |
| Taxes on final goods and services not allocated | | |
| VAT | 2 710 | *2.1* |
| Duty on hydrocarbon oils | 1 240 | *1.0* |
| National insurance surcharge | 1 890 | *1.5* |
| Other | 2 490 | *1.9* |
| Other taxes | | |
| Corporation tax | 4 990 | *3.9* |
| Petroleum revenue tax[3] | 5 040 | *3.9* |
| Taxes on capital | 1 640 | *1.3* |
| Other receipts[4] | 14 780 | *11.5* |
| Government borrowing requirement | 6 180 | *4.8* |
| **Total financing** | 128 040 | *100.0* |

[1] Including taxes paid by people not living in private households.
[2] Not allocated as a tax on consumers' expenditure in the National Accounts.
[3] Including supplementary petroleum duty.
[4] Receipts of rent, royalties and licence fees on oil and gas production, interest, dividends, trading income and miscellaneous transactions (net).

Source: *National Income and Expenditure, 1983 edition*, Table 9.1.

## Average incomes, taxes and benefits, 1982

**By decile groups of households ranked by original and disposable incomes**

TABLE 3

£ per year

| | Decile group | | | | | | | | | | Average over all decile groups |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1st | 2nd | 3rd | 4th | 5th | 6th | 7th | 8th | 9th | 10th | |
| **(i) Ranked by original income** | | | | | | | | | | | |
| **All households** | | | | | | | | | | | |
| Decile points (£) | *38* | *660* | *2 457* | *4 949* | *6 717* | *8 302* | *9 974* | *12 124* | *15 227* | | |
| Number of households in the sample | 743 | 743 | 742 | 743 | 743 | 743 | 743 | 742 | 743 | 743 | 7 428 |
| Original income | 4 | 288 | 1 416 | 3 819 | 5 874 | 7 511 | 9 122 | 10 950 | 13 511 | 21 260 | 7 376 |
| Direct benefits in cash | | | | | | | | | | | |
| Age-related | 1 084 | 1 605 | 1 485 | 740 | 348 | 216 | 183 | 134 | 139 | 85 | 602 |
| Child-related | 158 | 48 | 96 | 197 | 245 | 307 | 293 | 280 | 235 | 234 | 209 |
| Income-related | 1 362 | 619 | 523 | 430 | 225 | 169 | 167 | 117 | 160 | 102 | 388 |
| Other | 281 | 214 | 273 | 189 | 148 | 115 | 83 | 106 | 67 | 50 | 153 |
| Gross income | 2 890 | 2 774 | 3 793 | 5 375 | 6 840 | 8 317 | 9 849 | 11 587 | 14 111 | 21 730 | 8 727 |
| Direct taxes | — | 19 | 172 | 683 | 1 245 | 1 616 | 2 031 | 2 523 | 3 070 | 5 130 | 1 649 |
| Disposable income | 2 890 | 2 755 | 3 622 | 4 692 | 5 595 | 6 702 | 7 818 | 9 064 | 11 041 | 16 600 | 7 078 |
| Domestic rates (net of rebates)[1] | 219 | 192 | 239 | 264 | 280 | 301 | 322 | 342 | 355 | 455 | 297 |
| Taxes on final goods and services | 366 | 351 | 588 | 810 | 972 | 1 121 | 1 276 | 1 433 | 1 661 | 2 215 | 1 079 |
| Intermediate taxes | 176 | 171 | 241 | 308 | 347 | 407 | 466 | 534 | 607 | 813 | 407 |
| Benefits in kind | | | | | | | | | | | |
| Education | 397 | 190 | 304 | 572 | 593 | 651 | 672 | 752 | 718 | 742 | 559 |
| National health service | 652 | 705 | 666 | 562 | 577 | 573 | 559 | 530 | 553 | 553 | 593 |
| Welfare foods | 52 | 17 | 28 | 34 | 25 | 25 | 22 | 21 | 21 | 18 | 26 |
| Housing subsidy | 152 | 92 | 87 | 84 | 90 | 66 | 64 | 43 | 49 | 26 | 75 |
| Other allocated benefits | 12 | 10 | 20 | 43 | 45 | 75 | 78 | 98 | 103 | 197 | 68 |
| Final income | 3 394 | 3 054 | 3 659 | 4 605 | 5 325 | 6 261 | 7 149 | 8 199 | 9 862 | 14 653 | 6 616 |
| **(ii) Ranked by disposable income** | | | | | | | | | | | |
| **All households** | | | | | | | | | | | |
| Decile points (£) | *2 443* | *3 279* | *4 186* | *5 211* | *6 236* | *7 292* | *8 484* | *10 013* | *12 355* | | |
| Number of households in the sample | 743 | 743 | 742 | 743 | 743 | 743 | 742 | 743 | 743 | 743 | 7 428 |
| Original income | 353 | 825 | 1 872 | 3 819 | 5 610 | 7 313 | 8 997 | 10 764 | 13 356 | 20 843 | 7 376 |
| Direct benefits in cash | | | | | | | | | | | |
| Age-related | 1 163 | 1 294 | 1 181 | 752 | 455 | 340 | 240 | 212 | 194 | 188 | 602 |
| Child-related | 26 | 62 | 119 | 205 | 277 | 295 | 303 | 286 | 255 | 266 | 209 |
| Income-related | 470 | 683 | 679 | 508 | 374 | 290 | 216 | 225 | 220 | 211 | 388 |
| Other | 46 | 146 | 214 | 201 | 214 | 170 | 153 | 153 | 127 | 103 | 153 |
| Gross income | 2 059 | 3 009 | 4 065 | 5 485 | 6 930 | 8 407 | 9 909 | 11 640 | 14 152 | 21 610 | 8 727 |
| Direct taxes | 102 | 188 | 352 | 802 | 1 203 | 1 646 | 2 014 | 2 433 | 3 088 | 4 680 | 1 649 |
| Disposable income | 1 957 | 2 841 | 3 713 | 4 682 | 5 727 | 6 762 | 7 895 | 9 207 | 11 064 | 16 930 | 7 078 |
| Domestic rates (net of rebates)[1] | 179 | 219 | 244 | 260 | 285 | 302 | 323 | 345 | 360 | 452 | 297 |
| Taxes on final goods and services | 271 | 388 | 592 | 761 | 982 | 1 142 | 1 305 | 1 457 | 1 697 | 2 197 | 1 079 |
| Intermediate taxes | 142 | 184 | 238 | 285 | 358 | 420 | 472 | 539 | 624 | 809 | 407 |
| Benefits in kind | | | | | | | | | | | |
| Education | 149 | 173 | 276 | 489 | 640 | 704 | 716 | 795 | 794 | 855 | 559 |
| National health service | 540 | 609 | 639 | 612 | 591 | 589 | 583 | 570 | 575 | 621 | 593 |
| Welfare foods | 6 | 19 | 31 | 36 | 41 | 33 | 30 | 20 | 23 | 24 | 26 |
| Housing subsidy | 79 | 107 | 115 | 103 | 89 | 70 | 59 | 52 | 53 | 25 | 75 |
| Other allocated benefits | 11 | 14 | 25 | 33 | 61 | 70 | 76 | 93 | 104 | 192 | 68 |
| Final income | 2 150 | 2 972 | 3 725 | 4 650 | 5 525 | 6 364 | 7 259 | 8 397 | 9 931 | 15 188 | 6 616 |

[1] Together with water, etc, charges.

## Average incomes, taxes and benefits, 1982

**By quintile groups of original income within household type**

TABLE 4

£ per year

| | Quintile group | | | | | Average over all quintile groups |
|---|---|---|---|---|---|---|
| | 1st | 2nd | 3rd | 4th | 5th | |
| **(i) 1 adult retired** | | | | | | |
| Quintile points (£) | | — *83* | | *400* | *1 071* | |
| Number of households in the sample | | 376[2] | 187 | 188 | 188 | 939 |
| Original income | | 15 | 214 | 658 | 3 023 | 786 |
| Direct benefits in cash | | | | | | |
| Age-related | | 1 514 | 1 581 | 1 527 | 1 520 | 1 531 |
| Child-related | | — | — | — | — | — |
| Income-related | | 682 | 307 | 155 | 31 | 372 |
| Other | | 103 | 38 | 93 | 60 | 80 |
| Gross income | | 2 315 | 2 140 | 2 433 | 4 633 | 2 768 |
| Direct taxes | | 1 | 18 | 64 | 761 | 169 |
| Disposable income | | 2 314 | 2 122 | 2 369 | 3 872 | 2 599 |
| Domestic rates (net of rebates)[1] | | 206 | 171 | 191 | 294 | 214 |
| Taxes on final goods and services | | 171 | 201 | 252 | 472 | 253 |
| Intermediate taxes | | 122 | 124 | 141 | 218 | 145 |
| Benefits in kind | | | | | | |
| Education | | — | — | — | — | — |
| National health service | | 671 | 671 | 554 | 540 | 621 |
| Welfare foods | | — | — | — | — | — |
| Housing subsidy | | 137 | 83 | 84 | 51 | 98 |
| Other allocated benefits | | 3 | 4 | 9 | 8 | 6 |
| Final income | | 2 627 | 2 383 | 2 432 | 3 488 | 2 712 |
| **(ii) 2 adults retired** | | | | | | |
| Quintile points (£) | | *68* | *478* | *1 174* | *2 686* | |
| Number of households in the sample | 149 | 148 | 151 | 149 | 149 | 746 |
| Original income | 12 | 235 | 792 | 1 774 | 5 705 | 1 703 |
| Direct benefits in cash | | | | | | |
| Age-related | 2 329 | 2 469 | 2 435 | 2 449 | 2 285 | 2 394 |
| Child-related | — | — | — | — | — | — |
| Income-related | 564 | 350 | 198 | 112 | 22 | 249 |
| Other | 390 | 273 | 301 | 295 | 134 | 279 |
| Gross income | 3 295 | 3 327 | 3 726 | 4 630 | 8 146 | 4 624 |
| Direct taxes | 3 | 15 | 63 | 249 | 1 364 | 338 |
| Disposable income | 3 293 | 3 312 | 3 663 | 4 382 | 6 782 | 4 286 |
| Domestic rates (net of rebates)[1] | 219 | 201 | 207 | 284 | 391 | 260 |
| Taxes on final goods and services | 407 | 411 | 580 | 620 | 933 | 590 |
| Intermediate taxes | 194 | 198 | 236 | 255 | 384 | 253 |
| Benefits in kind | | | | | | |
| Education | — | 15 | — | — | 29 | 9 |
| National health service | 951 | 957 | 935 | 925 | 831 | 920 |
| Welfare foods | — | — | — | — | — | — |
| Housing subsidy | 139 | 88 | 91 | 93 | 29 | 88 |
| Other allocated benefits | 13 | 9 | 8 | 11 | 22 | 13 |
| Final income | 3 575 | 3 571 | 3 674 | 4 251 | 5 985 | 4 211 |

[1] Together with water, etc, charges.

[2] More than a fifth of these households had no original income, so the bottom group is undefined.

## Average incomes, taxes and benefits, 1982

**By quintile groups of original income within household type**

TABLE 4 (*continued*)

| | £ per year | | | | | |
|---|---|---|---|---|---|---|
| | Quintile group | | | | | Average over all quintile groups |
| | 1st | 2nd | 3rd | 4th | 5th | |
| **(iii) 1 adult non-retired** | | | | | | |
| Quintile points (£) | | *901* | *3 629* | *5 746* | *8 126* | |
| Number of households in the sample | 140 | 140 | 141 | 140 | 140 | 701 |
| Original income | 171 | 2 297 | 4 733 | 6 842 | 11 382 | 5 084 |
| Direct benefits in cash | | | | | | |
| Age-related | 354 | 602 | 218 | 73 | 17 | 253 |
| Child-related | 2 | — | — | — | 3 | 1 |
| Income-related | 1 179 | 230 | 86 | 2 | 32 | 305 |
| Other | 339 | 74 | 39 | 28 | 36 | 103 |
| Gross income | 2 044 | 3 203 | 5 076 | 6 945 | 11 469 | 5 746 |
| Direct taxes | 14 | 409 | 1 114 | 1 793 | 2 995 | 1 265 |
| Disposable income | 2 030 | 2 794 | 3 962 | 5 152 | 8 474 | 4 482 |
| Domestic rates (net of rebates)[1] | 178 | 193 | 245 | 266 | 326 | 242 |
| Taxes on final goods and services | 352 | 489 | 677 | 848 | 1 215 | 716 |
| Intermediate taxes | 162 | 194 | 239 | 299 | 418 | 263 |
| Benefits in kind | | | | | | |
| Education | 456 | 221 | — | — | 31 | 141 |
| National health service | 194 | 210 | 175 | 156 | 151 | 177 |
| Welfare foods | 1 | — | — | — | — | — |
| Housing subsidy | 101 | 61 | 78 | 68 | 29 | 68 |
| Other allocated benefits | 18 | 21 | 33 | 48 | 103 | 45 |
| Final income | 2 107 | 2 429 | 3 087 | 4 010 | 6 829 | 3 692 |
| **(iv) 2 adults non-retired** | | | | | | |
| Quintile points (£) | | *4 867* | *7 775* | *10 269* | *13 472* | |
| Number of households in the sample | 299 | 300 | 299 | 300 | 299 | 1 497 |
| Original income | 2 322 | 6 337 | 8 918 | 11 802 | 17 799 | 9 435 |
| Direct benefits in cash | | | | | | |
| Age-related | 806 | 382 | 226 | 90 | 82 | 317 |
| Child-related | 7 | 3 | 2 | 3 | 4 | 4 |
| Income-related | 797 | 156 | 59 | 53 | 12 | 215 |
| Other | 428 | 152 | 87 | 58 | 35 | 152 |
| Gross income | 4 360 | 7 030 | 9 292 | 12 005 | 17 932 | 10 123 |
| Direct taxes | 341 | 1 351 | 2 020 | 2 809 | 4 328 | 2 170 |
| Disposable income | 4 019 | 5 679 | 7 272 | 9 196 | 13 603 | 7 953 |
| Domestic rates (net of rebates)[1] | 229 | 283 | 300 | 322 | 409 | 309 |
| Taxes on final goods and services | 783 | 1 005 | 1 178 | 1 386 | 1 743 | 1 219 |
| Intermediate taxes | 279 | 325 | 410 | 506 | 646 | 433 |
| Benefits in kind | | | | | | |
| Education | 241 | 81 | 8 | 27 | — | 71 |
| National health service | 496 | 446 | 385 | 335 | 336 | 400 |
| Welfare foods | 1 | — | — | — | — | — |
| Housing subsidy | 101 | 68 | 69 | 41 | 19 | 59 |
| Other allocated benefits | 34 | 51 | 71 | 105 | 173 | 87 |
| Final income | 3 599 | 4 713 | 5 917 | 7 490 | 11 333 | 6 610 |

[1] Together with water, etc, charges.

## Average incomes, taxes and benefits, 1982

**By quintile groups of original income within household type**

TABLE 4 (*continued*)

£ per year

| | Quintile group | | | | | Average over all quintile groups |
|---|---|---|---|---|---|---|
| | 1st | 2nd | 3rd | 4th | 5th | |
| **(v) 3 or more adults with no children** | | | | | | |
| Quintile points (£) | | *6,777* | *10 056* | *13 396* | *16 968* | |
| Number of households in the sample | 169 | 168 | 169 | 168 | 169 | 843 |
| Original income | 3 735 | 8 462 | 11 805 | 14 944 | 22 166 | 12 224 |
| Direct benefits in cash | | | | | | |
| Age-related | 1 334 | 543 | 369 | 107 | 181 | 507 |
| Child-related | 36 | 64 | 43 | 63 | 53 | 52 |
| Income-related | 1 080 | 553 | 335 | 304 | 205 | 496 |
| Other | 745 | 337 | 272 | 88 | 49 | 298 |
| Gross income | 6 931 | 9 959 | 12 824 | 15 506 | 22 653 | 13 576 |
| Direct taxes | 665 | 1 762 | 2 714 | 3 464 | 5 542 | 2 830 |
| Disposable income | 6 266 | 8 197 | 10 110 | 12 042 | 17 111 | 10 747 |
| Domestic rates (net of rebates)[1] | 259 | 311 | 318 | 358 | 461 | 341 |
| Taxes on final goods and services | 1 237 | 1 498 | 1 901 | 2 042 | 2 716 | 1 879 |
| Intermediate taxes | 421 | 495 | 610 | 688 | 953 | 633 |
| Benefits in kind | | | | | | |
| Education | 781 | 530 | 391 | 700 | 592 | 599 |
| National health service | 908 | 621 | 641 | 570 | 623 | 673 |
| Welfare foods | 4 | 5 | 2 | 2 | 3 | 3 |
| Housing subsidy | 74 | 88 | 101 | 53 | 37 | 71 |
| Other allocated benefits | 39 | 58 | 81 | 111 | 251 | 108 |
| Final income | 6 154 | 7 195 | 8 498 | 10 390 | 14 487 | 9 346 |
| **(vi) 1 adult with children** | | | | | | |
| Quintile points (£) | — | *205* | | *1 839* | *4 247* | |
| Number of households in the sample | 84[2] | | 41 | 42 | 42 | 209 |
| Original income | 15 | | 867 | 2 998 | 7 017 | 2 189 |
| Direct benefits in cash | | | | | | |
| Age-related | 140 | | 210 | 145 | — | 127 |
| Child-related | 548 | | 557 | 614 | 542 | 562 |
| Income-related | 2 274 | | 1 645 | 787 | 155 | 1 426 |
| Other | 115 | | 10 | 19 | 16 | 55 |
| Gross income | 3 091 | | 3 288 | 4 564 | 7 730 | 4 358 |
| Direct taxes | — | | 11 | 279 | 1 297 | 319 |
| Disposable income | 3 091 | | 3 277 | 4 285 | 6 433 | 4 039 |
| Domestic rates (net of rebates)[1] | 278 | | 271 | 213 | 284 | 265 |
| Taxes on final goods and services | 387 | | 406 | 479 | 855 | 503 |
| Intermediate taxes | 208 | | 219 | 255 | 351 | 248 |
| Benefits in kind | | | | | | |
| Education | 1 077 | | 1 253 | 1 323 | 1 211 | 1 188 |
| National health service | 464 | | 418 | 422 | 318 | 417 |
| Welfare foods | 149 | | 210 | 173 | 84 | 153 |
| Housing subsidy | 238 | | 113 | 188 | 88 | 173 |
| Other allocated benefits | 14 | | 35 | 36 | 47 | 29 |
| Final income | 4 162 | | 4 411 | 5 478 | 6 691 | 4 984 |

[1] Together with water, etc, charges.

[2] More than a fifth of these households had no original income, so the bottom group is undefined.

## Average incomes, taxes and benefits, 1982

**By quintile groups of original income within household type**

TABLE 4 (*continued*)

| | £ per year | | | | | |
|---|---|---|---|---|---|---|
| | Quintile group | | | | | Average over all quintile groups |
| | 1st | 2nd | 3rd | 4th | 5th | |
| **(vii) 2 adults, 1 child** | | | | | | |
| Quintile points (£) | | *5 012* | *7 082* | *9 347* | *12 167* | |
| Number of households in the sample .. | 125 | 125 | 126 | 125 | 125 | 626 |
| Original income .. .. .. .. | 2 480 | 6 215 | 8 183 | 10 597 | 17 842 | 9 062 |
| Direct benefits in cash | | | | | | |
| Age-related .. .. .. .. | 65 | 80 | 34 | 24 | 16 | 44 |
| Child-related .. .. .. .. | 327 | 369 | 358 | 322 | 323 | 340 |
| Income-related .. .. .. | 1 385 | 198 | 89 | 55 | 18 | 349 |
| Other .. .. .. .. | 186 | 64 | 70 | 31 | 55 | 81 |
| Gross income .. .. .. .. | 4 443 | 6 926 | 8 735 | 11 028 | 18 255 | 9 876 |
| Direct taxes .. .. .. .. | 351 | 1 270 | 1 745 | 2 294 | 4 309 | 1 994 |
| Disposable income .. .. .. | 4 092 | 5 656 | 6 990 | 8 734 | 13 946 | 7 882 |
| Domestic rates (net of rebates)[1] .. | 243 | 272 | 312 | 344 | 423 | 319 |
| Taxes on final goods and services .. | 762 | 1 030 | 1 179 | 1 472 | 1 662 | 1 221 |
| Intermediate taxes .. .. .. | 292 | 366 | 430 | 575 | 652 | 463 |
| Benefits in kind | | | | | | |
| Education .. .. .. .. | 568 | 365 | 385 | 495 | 486 | 460 |
| National health service .. .. | 595 | 707 | 680 | 612 | 567 | 632 |
| Welfare foods .. .. .. | 43 | 17 | 14 | 13 | 18 | 21 |
| Housing subsidy .. .. .. | 112 | 76 | 52 | 21 | 10 | 54 |
| Other allocated benefits .. .. | 62 | 66 | 93 | 136 | 146 | 101 |
| Final income .. .. .. .. | 4 176 | 5 221 | 6 294 | 7 619 | 12 437 | 7 148 |
| **(viii) 2 adults, 2 children** | | | | | | |
| Quintile points (£) .. .. .. | | *5 827* | *7 754* | *9 631* | *11 981* | |
| Number of households in the sample .. | 179 | 180 | 179 | 180 | 179 | 897 |
| Original income .. .. .. .. | 3 164 | 6 864 | 8 656 | 10 646 | 16 251 | 9 115 |
| Direct benefits in cash | | | | | | |
| Age-related .. .. .. .. | 54 | — | — | — | — | 11 |
| Child-related .. .. .. .. | 563 | 579 | 575 | 567 | 557 | 568 |
| Income-related .. .. .. | 1 069 | 45 | 49 | 14 | 1 | 235 |
| Other .. .. .. .. | 160 | 51 | 26 | 35 | 15 | 57 |
| Gross income .. .. .. .. | 5 010 | 7 539 | 9 306 | 11 262 | 16 824 | 9 987 |
| Direct taxes .. .. .. .. | 492 | 1 478 | 1 802 | 2 384 | 3 849 | 2 001 |
| Disposable income .. .. .. | 4 518 | 6 061 | 7 504 | 8 877 | 12 976 | 7 986 |
| Domestic rates (net of rebates)[1] .. | 254 | 304 | 327 | 371 | 442 | 340 |
| Taxes on final goods and services .. | 816 | 1 004 | 1 151 | 1 296 | 1 579 | 1 169 |
| Intermediate taxes .. .. .. | 299 | 392 | 484 | 522 | 681 | 472 |
| Benefits in kind | | | | | | |
| Education .. .. .. .. | 1 082 | 951 | 984 | 1 227 | 1 147 | 1 078 |
| National health service .. .. | 698 | 700 | 672 | 598 | 598 | 653 |
| Welfare foods .. .. .. | 101 | 37 | 41 | 50 | 44 | 55 |
| Housing subsidy .. .. .. | 112 | 67 | 31 | 35 | 13 | 52 |
| Other allocated benefits .. .. | 51 | 76 | 75 | 99 | 150 | 90 |
| Final income .. .. .. .. | 5 193 | 6 192 | 7 367 | 8 698 | 12 225 | 7 934 |

[1] Together with water, etc, charges.

## Average incomes, taxes and benefits, 1982

**By quintile groups of original income within household type**

TABLE 4 (*continued*)

£ per year

| | Quintile group 1st | 2nd | 3rd | 4th | 5th | Average over all quintile groups |
|---|---|---|---|---|---|---|
| **(ix) 2 adults, 3 or more children** | | | | | | |
| Quintile points (£) | | *3 570* | *6 711* | *8 702* | *11 115* | |
| Number of households in the sample | 75 | 75 | 75 | 75 | 75 | 375 |
| Original income | 791 | 5 255 | 7 718 | 9 816 | 17 598 | 8 236 |
| Direct benefits in cash | | | | | | |
| Age-related | 17 | — | — | — | — | 3 |
| Child-related | 1 021 | 926 | 896 | 884 | 916 | 929 |
| Income-related | 2 691 | 396 | 122 | 86 | 28 | 665 |
| Other | 448 | 201 | 52 | 33 | 44 | 156 |
| Gross income | 4 968 | 6 779 | 8 789 | 10 820 | 18 586 | 9 988 |
| Direct taxes | 51 | 1 088 | 1 602 | 2 218 | 4 296 | 1 851 |
| Disposable income | 4 917 | 5 691 | 7 186 | 8 602 | 14 290 | 8 137 |
| Domestic rates (net of rebates)[1] | 241 | 277 | 302 | 368 | 481 | 334 |
| Taxes on final goods and services | 797 | 951 | 1 290 | 1 214 | 1 556 | 1 162 |
| Intermediate taxes | 333 | 375 | 490 | 525 | 782 | 501 |
| Benefits in kind | | | | | | |
| Education | 2 417 | 2 154 | 2 147 | 1 965 | 2 153 | 2 167 |
| National health service | 864 | 965 | 865 | 833 | 760 | 857 |
| Welfare foods | 340 | 163 | 115 | 62 | 89 | 154 |
| Housing subsidy | 155 | 182 | 64 | 97 | 27 | 105 |
| Other allocated benefits | 38 | 68 | 89 | 76 | 173 | 89 |
| Final income | 7 359 | 7 620 | 8 385 | 9 528 | 14 674 | 9 513 |
| **(x) 3 or more adults, with children** | | | | | | |
| Quintile points (£) | | *6 721* | *9 756* | *12 547* | *16 027* | |
| Number of households in the sample | 119 | 119 | 119 | 119 | 119 | 595 |
| Original income | 3 539 | 8 365 | 11 085 | 14 172 | 24 951 | 12 422 |
| Direct benefits in cash | | | | | | |
| Age-related | 250 | 153 | 155 | 234 | 73 | 173 |
| Child-related | 605 | 530 | 522 | 498 | 507 | 532 |
| Income-related | 1 958 | 630 | 429 | 280 | 179 | 695 |
| Other | 576 | 151 | 150 | 78 | 116 | 214 |
| Gross income | 6 928 | 9 828 | 12 342 | 15 261 | 25 826 | 14 037 |
| Direct taxes | 497 | 1 633 | 2 351 | 3 219 | 5 018 | 2 544 |
| Disposable income | 6 431 | 8 195 | 9 991 | 12 042 | 20 808 | 11 494 |
| Domestic rates (net of rebates)[1] | 276 | 322 | 334 | 363 | 442 | 347 |
| Taxes on final goods and services | 1 219 | 1 558 | 1 554 | 2 095 | 2 600 | 1 805 |
| Intermediate taxes | 452 | 561 | 594 | 715 | 871 | 638 |
| Benefits in kind | | | | | | |
| Education | 2 201 | 1 846 | 1 931 | 1 685 | 1 750 | 1 882 |
| National health service | 815 | 722 | 752 | 779 | 756 | 765 |
| Welfare foods | 153 | 48 | 50 | 45 | 44 | 68 |
| Housing subsidy | 116 | 100 | 76 | 78 | 43 | 83 |
| Other allocated benefits | 51 | 55 | 97 | 82 | 169 | 91 |
| Final income | 7 820 | 8 528 | 10 415 | 11 538 | 19 658 | 11 591 |

[1] Together with water, etc, charges.

## Average incomes, taxes and benefits, 1982

**By decile groups of households ranked by original income**

TABLE 5

£ per year

| | Decile groups | | | | | | | | | | Average over all decile groups |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1st | 2nd | 3rd | 4th | 5th | 6th | 7th | 8th | 9th | 10th | |
| *Decile points (£)* | *38* | *660* | *2 457* | *4 949* | *6 717* | *8 302* | *9 974* | *12 124* | *15 227* | | |
| Number of households in the sample | 743 | 743 | 742 | 743 | 743 | 743 | 743 | 742 | 743 | 743 | 7 428 |
| **Original income** | | | | | | | | | | | |
| Earnings of main earner | — | 38 | 459 | 2 624 | 4 727 | 6 111 | 7 135 | 7 968 | 8 973 | 13 217 | 5 125 |
| Other earnings | — | 1 | 17 | 159 | 384 | 877 | 1 451 | 2 319 | 3 811 | 6 338 | 1 536 |
| Occupational pensions, annuities | — | 126 | 552 | 536 | 432 | 232 | 177 | 233 | 199 | 248 | 273 |
| Investment income | 3 | 103 | 294 | 343 | 264 | 224 | 280 | 363 | 412 | 1 321 | 361 |
| Other income | — | 19 | 95 | 157 | 67 | 67 | 79 | 68 | 116 | 136 | 80 |
| Total | 4 | 288 | 1 416 | 3 819 | 5 874 | 7 511 | 9 122 | 10 950 | 13 511 | 21 260 | 7 376 |
| **Cash benefits** | | | | | | | | | | | |
| Age-related | | | | | | | | | | | |
| Retirement and old persons' pension | 1 036 | 1 543 | 1 415 | 663 | 306 | 184 | 164 | 114 | 117 | 81 | 562 |
| Widows' pension | 41 | 51 | 60 | 72 | 39 | 31 | 18 | 18 | 21 | 4 | 35 |
| Christmas bonus for pensioners | 8 | 11 | 10 | 5 | 3 | 1 | 1 | 1 | 1 | 1 | 4 |
| Child-related | | | | | | | | | | | |
| Child benefit | 157 | 47 | 94 | 189 | 227 | 287 | 279 | 268 | 225 | 228 | 200 |
| Maternity allowance | 1 | — | 1 | 7 | 16 | 19 | 13 | 11 | 9 | 5 | 8 |
| Maternity grant | 1 | — | — | 1 | 2 | 2 | 2 | 1 | 1 | 1 | 1 |
| Income-related | | | | | | | | | | | |
| Supplementary benefit | 1 187 | 393 | 263 | 172 | 84 | 56 | 68 | 34 | 55 | 26 | 234 |
| Unemployment benefit/TOPS, etc, awards | 76 | 79 | 135 | 142 | 94 | 87 | 79 | 66 | 66 | 48 | 87 |
| Rent rebates and allowances | 60 | 107 | 82 | 58 | 29 | 12 | 5 | 4 | 3 | — | 36 |
| Student maintenance grants | 40 | 40 | 33 | 28 | 14 | 13 | 15 | 13 | 36 | 27 | 26 |
| Family income supplement | — | — | 10 | 30 | 4 | 1 | 2 | — | — | — | 5 |
| Other | | | | | | | | | | | |
| Invalidity pension and allowance | 157 | 117 | 145 | 97 | 50 | 51 | 22 | 26 | 9 | 1 | 68 |
| Sickness, industrial injury benefit | 9 | 17 | 18 | 35 | 40 | 29 | 26 | 22 | 26 | 26 | 25 |
| Attendance allowance | 27 | 23 | 23 | 5 | 14 | 4 | 5 | 15 | 9 | 6 | 13 |
| Disablement and war disability pension | 9 | 6 | 32 | 11 | 3 | 9 | 5 | 9 | 10 | 3 | 10 |
| Industrial injury disablement pension | 30 | 21 | 24 | 7 | 13 | 3 | 4 | 15 | 3 | 7 | 13 |
| Mobility allowance | 14 | 9 | 9 | 6 | 15 | 7 | 7 | 8 | 8 | 3 | 9 |
| Non-contributory invalidity pensions | 8 | 10 | 15 | 5 | 7 | 2 | 8 | 2 | 1 | 4 | 6 |
| Miscellaneous cash benefits | 28 | 11 | 9 | 23 | 5 | 8 | 7 | 9 | — | 1 | 10 |
| Total | 2 886 | 2 486 | 2 377 | 1 556 | 967 | 807 | 726 | 637 | 600 | 471 | 1 351 |
| **Gross income** | 2 890 | 2 774 | 3 793 | 5 375 | 6 840 | 8 317 | 9 849 | 11 587 | 14 111 | 21 730 | 8 727 |
| **Direct taxes** | | | | | | | | | | | |
| Income tax | — | 18 | 152 | 524 | 927 | 1 180 | 1 497 | 1 890 | 2 328 | 4 169 | 1 269 |
| National Insurance contributions | — | 1 | 20 | 159 | 318 | 436 | 534 | 632 | 742 | 961 | 380 |
| Total | — | 19 | 172 | 683 | 1 245 | 1 616 | 2 031 | 2 523 | 3 070 | 5 130 | 1 649 |
| **Disposable income** | 2 890 | 2 755 | 3 622 | 4 692 | 5 595 | 6 702 | 7 818 | 9 064 | 11 041 | 16 600 | 7 078 |
| **Indirect taxes** | | | | | | | | | | | |
| Domestic rates (net of rebates)[1] | 219 | 192 | 239 | 264 | 280 | 301 | 322 | 342 | 355 | 455 | 297 |
| Taxes on final goods and services | | | | | | | | | | | |
| VAT | 146 | 145 | 255 | 345 | 402 | 498 | 573 | 681 | 797 | 1 095 | 494 |
| Duty on tobacco | 121 | 79 | 125 | 163 | 194 | 188 | 200 | 183 | 201 | 222 | 168 |
| Duty on beer | 18 | 19 | 32 | 47 | 71 | 80 | 90 | 99 | 111 | 146 | 71 |
| Duty on wines | 3 | 5 | 8 | 17 | 14 | 19 | 24 | 29 | 35 | 67 | 22 |
| Duty on spirits | 10 | 20 | 36 | 42 | 51 | 56 | 57 | 66 | 80 | 136 | 55 |
| Duty on hydrocarbon oils | 15 | 19 | 40 | 79 | 102 | 118 | 147 | 162 | 200 | 245 | 113 |
| Car tax | 1 | 2 | 4 | 9 | 11 | 15 | 19 | 25 | 31 | 48 | 17 |
| Vehicle excise duty | 8 | 12 | 24 | 37 | 43 | 49 | 58 | 67 | 73 | 91 | 46 |
| Television licences | 19 | 26 | 30 | 30 | 33 | 34 | 35 | 37 | 37 | 38 | 32 |
| Stamp duty on house purchase | — | 1 | 2 | 3 | 4 | 6 | 9 | 13 | 14 | 29 | 8 |
| Customs' duties | 11 | 10 | 16 | 20 | 23 | 28 | 31 | 39 | 43 | 58 | 28 |
| Other | 12 | 13 | 17 | 19 | 26 | 30 | 33 | 33 | 30 | 39 | 26 |
| Intermediate taxes | | | | | | | | | | | |
| Commercial and industrial rates | 59 | 58 | 81 | 103 | 116 | 136 | 155 | 178 | 203 | 268 | 136 |
| Employers' NI contributions | 74 | 72 | 103 | 132 | 149 | 175 | 202 | 232 | 264 | 353 | 176 |
| Duty on hydrocarbon oils | 27 | 25 | 34 | 44 | 49 | 57 | 65 | 74 | 83 | 115 | 57 |
| Vehicle excise duty | 8 | 7 | 10 | 13 | 15 | 18 | 20 | 23 | 26 | 37 | 18 |
| Other | 9 | 9 | 12 | 16 | 18 | 21 | 24 | 27 | 31 | 40 | 21 |
| Total indirect taxes | 761 | 715 | 1 067 | 1 382 | 1 599 | 1 830 | 2 064 | 2 309 | 2 623 | 3 484 | 1 783 |
| **Benefits in kind** | | | | | | | | | | | |
| Education | 397 | 190 | 304 | 572 | 593 | 651 | 672 | 752 | 718 | 742 | 559 |
| Welfare foods | 52 | 17 | 28 | 34 | 25 | 25 | 22 | 21 | 21 | 18 | 26 |
| National health service | 652 | 705 | 666 | 562 | 577 | 573 | 559 | 530 | 553 | 553 | 593 |
| Housing subsidy | 152 | 92 | 87 | 84 | 90 | 66 | 64 | 43 | 49 | 26 | 75 |
| Rail travel subsidy | 5 | 4 | 8 | 12 | 10 | 22 | 21 | 33 | 41 | 96 | 25 |
| Option mortgage scheme | 2 | 1 | 5 | 15 | 13 | 27 | 23 | 28 | 18 | 19 | 15 |
| Life assurance premium relief | 4 | 5 | 7 | 16 | 22 | 25 | 33 | 37 | 45 | 82 | 28 |
| Total | 1 265 | 1 014 | 1 105 | 1 295 | 1 329 | 1 389 | 1 395 | 1 444 | 1 444 | 1 537 | 1 322 |
| **Final income** | 3 394 | 3 054 | 3 659 | 4 605 | 5 325 | 6 261 | 7 149 | 8 199 | 9 862 | 14 653 | 6 616 |

[1] Together with water, etc, charges.

## Average incomes, taxes and benefits, 1982

**By decile groups of households ranked by gross income**

TABLE 6

£ per year

| | Decile group | | | | | | | | | | Average over all decile groups |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1st | 2nd | 3rd | 4th | 5th | 6th | 7th | 8th | 9th | 10th | |
| *Decile points (£)* | *2 494* | *3 432* | *4 681* | *6 162* | *7 673* | *9 121* | *10 683* | *12 695* | *15 862* | | |
| Number of households in the sample | 743 | 743 | 742 | 743 | 743 | 743 | 743 | 742 | 743 | 743 | 7 428 |
| Original income | 264 | 564 | 1 587 | 3 682 | 5 789 | 7 372 | 9 026 | 10 865 | 13 455 | 21 152 | 7 376 |
| Cash benefits | | | | | | | | | | | |
| Age-related | 1 188 | 1 397 | 1 224 | 722 | 412 | 297 | 235 | 206 | 167 | 170 | 602 |
| Child-related | 23 | 68 | 135 | 229 | 267 | 295 | 292 | 286 | 240 | 257 | 209 |
| Income-related | 496 | 746 | 805 | 525 | 305 | 258 | 227 | 173 | 171 | 171 | 388 |
| Other | 56 | 172 | 244 | 277 | 160 | 166 | 126 | 124 | 125 | 77 | 153 |
| Total | 1 763 | 2 383 | 2 408 | 1 752 | 1 145 | 1 016 | 879 | 789 | 703 | 676 | 1 351 |
| Gross income | 2 027 | 2 946 | 3 995 | 5 434 | 6 934 | 8 387 | 9 905 | 11 653 | 14 158 | 21 828 | 8 727 |
| Direct taxes | | | | | | | | | | | |
| Income tax | 18 | 63 | 180 | 519 | 922 | 1 168 | 1 479 | 1 877 | 2 326 | 4 133 | 1 269 |
| National insurance contributions | 2 | 9 | 52 | 172 | 324 | 418 | 523 | 622 | 738 | 944 | 380 |
| Total | 20 | 72 | 232 | 691 | 1 246 | 1 585 | 2 002 | 2 500 | 3 064 | 5 078 | 1 649 |
| Disposable income | 2 006 | 2 875 | 3 763 | 4 743 | 5 688 | 6 802 | 7 903 | 9 153 | 11 095 | 16 751 | 7 078 |
| Indirect taxes | | | | | | | | | | | |
| Domestic rates (net of rebates)[1] | 181 | 214 | 246 | 261 | 286 | 299 | 325 | 342 | 362 | 452 | 297 |
| Taxes on final goods and services | | | | | | | | | | | |
| VAT | 110 | 159 | 239 | 345 | 398 | 500 | 599 | 685 | 810 | 1 090 | 494 |
| Duty on tobacco | 58 | 94 | 135 | 182 | 179 | 195 | 204 | 193 | 204 | 231 | 168 |
| Duty on beer | 16 | 19 | 32 | 49 | 63 | 81 | 92 | 98 | 112 | 151 | 71 |
| Duty on wines | 4 | 5 | 8 | 14 | 15 | 20 | 25 | 29 | 36 | 66 | 22 |
| Duty on spirits | 14 | 17 | 31 | 42 | 44 | 63 | 59 | 70 | 75 | 139 | 55 |
| Duty on hydrocarbon oils | 11 | 24 | 42 | 75 | 97 | 128 | 146 | 156 | 200 | 249 | 113 |
| Car tax | 1 | 3 | 4 | 8 | 9 | 17 | 20 | 25 | 31 | 46 | 17 |
| Vehicle excise duty | 6 | 15 | 24 | 34 | 43 | 51 | 60 | 62 | 75 | 90 | 46 |
| Television licences | 20 | 25 | 28 | 31 | 33 | 34 | 35 | 37 | 38 | 38 | 32 |
| Stamp duty on house purchase | 1 | 1 | 2 | 2 | 5 | 6 | 9 | 13 | 15 | 29 | 8 |
| Customs' duties | 7 | 11 | 16 | 20 | 23 | 28 | 32 | 39 | 44 | 58 | 28 |
| Other | 9 | 14 | 17 | 20 | 26 | 30 | 32 | 35 | 38 | 40 | 26 |
| Intermediate taxes | | | | | | | | | | | |
| Commercial and industrial rates | 47 | 62 | 80 | 102 | 117 | 139 | 158 | 180 | 206 | 269 | 136 |
| Employers' NI contributions | 58 | 78 | 101 | 130 | 150 | 179 | 205 | 234 | 267 | 354 | 176 |
| Duty on hydrocarbon oils | 20 | 27 | 34 | 43 | 50 | 59 | 66 | 75 | 84 | 115 | 57 |
| Vehicle excise duty | 6 | 8 | 10 | 13 | 15 | 18 | 21 | 23 | 26 | 37 | 18 |
| Other | 7 | 10 | 12 | 16 | 18 | 21 | 24 | 27 | 31 | 40 | 21 |
| Total indirect taxes | 576 | 785 | 1 061 | 1 386 | 1 574 | 1 869 | 2 111 | 2 323 | 2 654 | 3 495 | 1 783 |
| Benefits in kind | | | | | | | | | | | |
| Education | 140 | 190 | 323 | 615 | 590 | 713 | 697 | 768 | 723 | 831 | 559 |
| Welfare foods | 6 | 20 | 43 | 40 | 34 | 33 | 21 | 24 | 19 | 23 | 26 |
| National health service | 548 | 658 | 657 | 594 | 590 | 586 | 573 | 563 | 555 | 606 | 593 |
| Housing subsidy | 82 | 110 | 110 | 110 | 84 | 68 | 58 | 51 | 51 | 28 | 75 |
| Rail travel subsidy | 5 | 5 | 6 | 11 | 16 | 20 | 24 | 27 | 45 | 94 | 25 |
| Option mortgage scheme | 2 | 4 | 6 | 11 | 16 | 28 | 25 | 23 | 19 | 17 | 15 |
| Life assurance premium relief | 3 | 6 | 10 | 15 | 22 | 26 | 32 | 36 | 45 | 81 | 28 |
| Total | 785 | 993 | 1 155 | 1 396 | 1 353 | 1 474 | 1 431 | 1 492 | 1 458 | 1 680 | 1 322 |
| Final income | 2 216 | 3 082 | 3 857 | 4 753 | 5 468 | 6 407 | 7 223 | 8,322 | 9 899 | 14 936 | 6 616 |

[1] Together with water, etc, charges.

## Distribution of households co-operating in the Family Expenditure Survey, 1982

**By decile groups of households ranked by original, gross, disposable and final incomes**

TABLE 7

| | 1 adult retired | 2 adults retired | 1 adult non-retired | 2 adults non-retired | 3 or more adults | 1 adult with children | 2 adults 1 child | 2 adults 2 children | 2 adults 3 or more children | 3 or more adults with children | All house holds |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Decile groups of original income** | | | | | | | | | | | |
| Bottom | 303 | 129 | 84 | 36 | 6 | 75 | 30 | 27 | 38 | 15 | 743 |
| 2nd | 367 | 217 | 44 | 38 | 16 | 25 | 7 | 10 | 9 | 10 | 743 |
| 3rd | 184 | 242 | 93 | 80 | 26 | 37 | 17 | 30 | 18 | 15 | 742 |
| 4th | 55 | 88 | 140 | 150 | 65 | 43 | 65 | 65 | 37 | 35 | 743 |
| 5th | 19 | 33 | 129 | 185 | 53 | 11 | 104 | 117 | 49 | 43 | 743 |
| 6th | 6 | 16 | 75 | 174 | 79 | 5 | 102 | 172 | 59 | 55 | 743 |
| 7th | 2 | 5 | 66 | 209 | 83 | 8 | 86 | 151 | 61 | 72 | 743 |
| 8th | 2 | 10 | 44 | 206 | 105 | 3 | 87 | 151 | 44 | 90 | 742 |
| 9th | — | 4 | 16 | 228 | 176 | 2 | 74 | 95 | 30 | 118 | 743 |
| Top | 1 | 2 | 10 | 191 | 234 | — | 54 | 79 | 30 | 142 | 743 |
| Total | 939 | 746 | 701 | 1 497 | 843 | 209 | 626 | 897 | 375 | 595 | 7 428 |
| **Decile groups of gross income** | | | | | | | | | | | |
| Bottom | 537 | 11 | 142 | 16 | 1 | 27 | 6 | 2 | 1 | — | 743 |
| 2nd | 288 | 228 | 72 | 68 | 3 | 55 | 17 | 21 | 7 | 4 | 743 |
| 3rd | 70 | 278 | 100 | 95 | 16 | 59 | 47 | 46 | 25 | 6 | 742 |
| 4th | 30 | 115 | 129 | 158 | 43 | 39 | 63 | 79 | 54 | 33 | 743 |
| 5th | 17 | 45 | 95 | 191 | 50 | 13 | 108 | 132 | 54 | 38 | 743 |
| 6th | 10 | 33 | 52 | 195 | 83 | 4 | 96 | 150 | 59 | 61 | 743 |
| 7th | 4 | 12 | 57 | 186 | 103 | 6 | 85 | 155 | 57 | 78 | 743 |
| 8th | 2 | 10 | 33 | 213 | 115 | 3 | 83 | 136 | 54 | 93 | 742 |
| 9th | — | 9 | 13 | 207 | 193 | 3 | 67 | 98 | 32 | 121 | 743 |
| Top | 1 | 5 | 8 | 168 | 236 | — | 54 | 78 | 32 | 161 | 743 |
| Total | 939 | 746 | 701 | 1 497 | 843 | 209 | 626 | 897 | 375 | 595 | 7 428 |
| **Decile groups of disposable income** | | | | | | | | | | | |
| Bottom | 523 | 6 | 153 | 19 | 2 | 26 | 7 | 5 | 2 | — | 743 |
| 2nd | 294 | 186 | 107 | 59 | 5 | 51 | 16 | 15 | 6 | 4 | 743 |
| 3rd | 62 | 277 | 118 | 104 | 7 | 56 | 50 | 43 | 20 | 5 | 742 |
| 4th | 28 | 138 | 115 | 177 | 29 | 38 | 74 | 83 | 42 | 19 | 743 |
| 5th | 19 | 59 | 73 | 196 | 54 | 19 | 96 | 129 | 64 | 34 | 743 |
| 6th | 7 | 39 | 61 | 193 | 75 | 8 | 93 | 151 | 61 | 55 | 743 |
| 7th | 4 | 15 | 33 | 195 | 111 | 5 | 83 | 162 | 57 | 77 | 742 |
| 8th | 2 | 10 | 19 | 204 | 133 | 3 | 82 | 138 | 56 | 96 | 743 |
| 9th | — | 12 | 13 | 194 | 186 | 2 | 70 | 94 | 29 | 143 | 743 |
| Top | — | 4 | 9 | 156 | 241 | 1 | 55 | 77 | 38 | 162 | 743 |
| Total | 939 | 746 | 701 | 1 497 | 843 | 209 | 626 | 897 | 375 | 595 | 7 428 |
| **Decile groups of final income** | | | | | | | | | | | |
| Bottom | 382 | 37 | 208 | 70 | 9 | 11 | 15 | 8 | 2 | 1 | 743 |
| 2nd | 346 | 124 | 134 | 85 | 9 | 22 | 16 | 5 | 1 | 1 | 743 |
| 3rd | 144 | 216 | 108 | 128 | 19 | 41 | 52 | 28 | 3 | 3 | 742 |
| 4th | 36 | 195 | 87 | 205 | 27 | 44 | 70 | 54 | 13 | 12 | 743 |
| 5th | 19 | 101 | 78 | 206 | 68 | 29 | 104 | 109 | 17 | 12 | 743 |
| 6th | 8 | 32 | 46 | 209 | 97 | 26 | 99 | 148 | 34 | 44 | 743 |
| 7th | 4 | 16 | 13 | 183 | 118 | 21 | 89 | 173 | 64 | 62 | 743 |
| 8th | — | 11 | 13 | 173 | 145 | 7 | 65 | 148 | 87 | 93 | 742 |
| 9th | — | 12 | 7 | 134 | 154 | 4 | 58 | 128 | 90 | 156 | 743 |
| Top | — | 2 | 7 | 104 | 197 | 4 | 58 | 96 | 64 | 211 | 743 |
| Total | 939 | 746 | 701 | 1 497 | 843 | 209 | 626 | 897 | 375 | 595 | 7 428 |

# Regional accounts 1971-1981: new industrial classification

### Introduction

This article presents regional accounts for 1981 including the income measure gross domestic product (GDP) at factor cost analysed by factor income and by industry, personal income, consumers' expenditure and gross domestic fixed capital formation by selected industries. A new analysis of personal income by type of income is included and for the first time manufacturing GDP by region is subdivided into broad industrial groups. All these items are measured in current prices, which means that most of the increase in the figures tends to be the result of inflation. The analysis of trends over time presented here is based on either the difference between these large increases or movements in GDP per head relative to the UK average. Both approaches could of course be misleading if the rate of inflation in wage and other costs has been significantly different in any region.

The regional accounts presented in this article are consistent with the national accounts published in National Income and Expenditure, 1983 Edition (the Blue Book), which also defines the terms used. The tables which contain industrial analyses are now classified in accordance with the Standard Industrial Classification, Revised 1980. The regional analysis of consumers' expenditure has also been revised in line with the classification by purpose introduced in the 1983 Blue Book (see *Economic Trends*, September 1983).

It has not been possible to publish provisional estimates of regional GDP for 1982 in this article, mainly because regional employment statistics for 1982, which are essential to the calculation of regional GDP in the provisional year, are not yet available on the new industrial classification. It is hoped to publish provisional estimates of GDP by region for 1982 in *Economic Trends* in April or May 1984, together with estimates of GDP in 1981 for the counties of England and Wales and the local authority regions of Scotland.

### Regional economies in 1981

Scotland, Wales, Northern Ireland and the regions of England are all different in size, character, industrial structure and economic performance. This article contains a separate description of each region's economy and a full set of regional accounts for 1978 to 1981. Table A encapsulates some of the differences in size of the regions, which must be allowed for when comparing their economic performance. Scotland has the largest area, but has a small population relative to its size; the North West has the smallest area and the highest population density. The South East has the second largest area and is also very densely populated. The population of the South East is 17 million, nearly three times as large as any other region. Northern Ireland at the other extreme has a population of only 1½ million.

The differences in population are reflected in the size of the regions' gross domestic product (GDP). The South East with 30 per cent of the population generated 35 per cent of UK GDP,[1] whereas Northern Ireland with 3 per cent of the population generated 2 per cent of GDP. The South East is the only region with a greater share of GDP than of population. Looking at GDP per head of population, the South East averaged £4 177, in 1981, 18 per cent higher than the next highest region (Scotland at £3 547) and 53 per cent higher than the lowest (Northern Ireland £2 723). The GDP of the Continental Shelf region, totalling £11.7 billion in 1981, is excluded from UK GDP throughout the text of the article; see Technical notes.

[1] Excluding the Continental Shelf region

## Basic regional statistics, 1981

TABLE A

| Region | Area '000 sq km | Area *per cent* | Population millions | Population *per cent* | Population Density persons per sq km | Gross Domestic Product £ billion | Gross Domestic Product *per cent* |
|---|---|---|---|---|---|---|---|
| North | 15.4 | *6.3* | 3.1 | *5·5* | 202 | 10.6 | *5.2* |
| Yorkshire and Humberside | 15.4 | *6.3* | 4.9 | *8·7* | 318 | 16.4 | *8.1* |
| East Midlands | 15.6 | *6.4* | 3.9 | *6·8* | 246 | 13.3 | *6.5* |
| East Anglia | 12.6 | *5.2* | 1.9 | *3·4* | 152 | 6.6 | *3.3* |
| South East | 27.2 | *11.2* | 17.0 | *30.2* | 625 | 71.0 | *35.0* |
| South West | 23.9 | *9.8* | 4.4 | *7.8* | 184 | 15.0 | *7.4* |
| West Midlands | 13.0 | *5.3* | 5.2 | *9.2* | 398 | 16.9 | *8.3* |
| North West | 7.3 | *3.0* | 6.4 | *11.4* | 877 | 22.1 | *10.9* |
| Wales | 20.8 | *8.5* | 2.8 | *5.0* | 135 | 8.6 | *4.2* |
| Scotland | 78.8 | *32.3* | 5.2 | *9.2* | 66 | 18.3 | *9.0* |
| Northern Ireland | 14.1 | *5.8* | 1.6 | *2.8* | 111 | 4.3 | *2.1* |
| United Kingdom (Excluding the Continental Shelf region) | 244.1 | *100.0* | 56.3 | *100.0* | 231 | 203.1 | *100.0* |
| Continental Shelf | — | — | — | — | — | 11.7 | — |

Between 1980 and 1981 it appears that GDP per head in Northern Ireland and Scotland increased (in current prices) by more than in other regions, whereas the East and West Midlands both suffered sharp falls in their relative GDP per head.

The industrial structure of each region is different as shown in chart B. East Anglia and Northern Ireland are the two most agricultural regions, whereas the South East and North West derive a very low proportion of GDP from agriculture, forestry and fishing. Wales derives a very high level of GDP from the energy industries (notably coal mining and oil refining) as do Yorkshire and Humberside, the East Midlands and the North. The five regions in the North and Midlands of England are the most reliant on manufacturing, although the type of manufacturing activity differs in each region. The North derives an above-average share of GDP from minerals, metals and chemicals. The West Midlands is heavily reliant on metal goods, engineering and vehicles, whereas the East Midlands and Northern Ireland derive a higher proportion of their GDP from other, lighter, manufacturing than other regions. There is less variation between regions in the proportion of GDP derived from construction, transport and communication and distribution. However, the South East derives a much higher proportion of its GDP from banking, insurance, finance, business services and leasing than any other region. In Northern Ireland a high proportion of GDP is derived from other services (mainly public sector).

One of the main features of the UK economy in recent years has been the decline of the manufacturing sector. This has had a particularly severe effect on regions like the West Midlands, which derive a high proportion of their GDP from manufacturing. The South East and Northern Ireland, however, have been much less affected by this trend.

Regional unemployment rates ranged from 7·1 per cent in the South East to 17·3 per cent in Northern Ireland in 1981 (see table C). Unemployment rates increased in all regions from 1980 levels, but the rise in the West Midlands was particularly marked. In 1982 there were further increases in unemployment rates, but of a lower magnitude than increases in 1981 and regional unemployment rates ranged from 8·7 per cent in the South East to 19·4 per cent in Northern Ireland.

### Trends in GDP 1971–1981

This analysis concentrates on GDP per head[1] in order to compare the performance of the regions. Furthermore, in view of the large increases in GDP caused by inflation, which tend to disguise any real changes, we discuss GDP relative to the UK average in each year. It is worth remembering in this context that a region whose GDP per head has fallen relative to the UK average has not necessarily suffered any real decline in economic activity; it may simply have grown more slowly. It is also worth noting that the UK average is so heavily influenced by the very large South East region that all other regions had below average GDP per head in 1981. Finally, it is probable that the economic cycle affects regions in different ways.

Over the decade 1971–1981, trends in the relative level of GDP per head[1] showed a turning point at about 1976 for many regions. In the earlier period the poorer regions in terms of GDP per head tended to grow faster than the richer regions, though there were exceptions. The fastest growing region was the North; other regions with well above average growth were Wales and Scotland. Scotland and the North benefited from North Sea oil and gas related development. The two most prosperous regions in 1971, the South East and the West Midlands both grew more slowly than the UK average. However, the South West also grew more slowly.

In the more recent period, the pattern was largely reversed. The South East improved its GDP per head, relative to the UK average, whereas the North, Yorkshire and Humberside and Wales fell back. The South West and East Anglia experienced above-average growth, whereas the West Midlands suffered a further decline in its position relative to the UK average in the later period. GDP per head in the West Midlands moved from 103 per cent of the UK average[1] in 1971 to 98 per cent in 1976 and 90 per cent in 1981, the largest relative movement of any region.

### Recent trends in industrial structure

A question which is of perennial interest in considering the economic problems of the regions is the extent to which overall differences in rates of change are due to the effects of industrial structure on one hand and differences between regional performance (within each industry) on the other. A region with a relatively adverse industrial structure would be one with an above average share of

[1] Excluding the Continental Shelf region.

## Regional unemployment rates[1]

TABLE C

percentages

| Region | 1980 | 1981 | 1982 |
|---|---|---|---|
| North | 10.4 | 14.6 | 16.5 |
| Yorkshire and Humberside | 7.3 | 11.5 | 13.4 |
| East Midlands | 6.1 | 9.6 | 11.0 |
| East Anglia | 5.3 | 8.4 | 9.9 |
| South East | 4.2 | 7.1 | 8.7 |
| South West | 6.4 | 9.3 | 10.8 |
| West Midlands | 7.3 | 12.7 | 14.9 |
| North West | 8.5 | 12.6 | 14.7 |
| Wales | 9.4 | 13.6 | 15.6 |
| Scotland | 9.1 | 12.6 | 14.2 |
| Northern Ireland | 13.0 | 17.3 | 19.4 |
| United Kingdom | 6.8 | 10.5 | 12.2 |

[1] Annual averages. New basis (claimants). Figures for Great Britain prior to May 1982 and for Northern Ireland prior to November 1982 are estimates.

## Regional GDP per head as a percentage of the UK average[1]

TABLE D

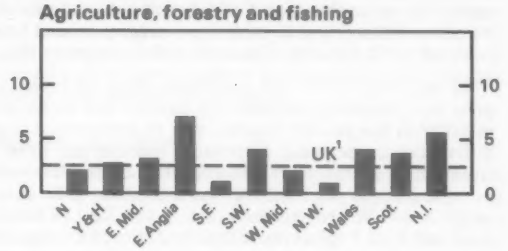
| Region | 1971 | 1976 | 1981 |
|---|---|---|---|
| North | *86.9* | 96.2 | 94.5 |
| Yorkshire and Humberside | *93.3* | 94.6 | 92.4 |
| East Midlands | *96.6* | 96.3 | 95.5 |
| East Anglia | 93.6 | 93.8 | 96.9 |
| South East | 113.7 | 112.7 | 115.9 |
| South West | 94.8 | 91.0 | 95.3 |
| West Midlands | 102.8 | 98.1 | 90.3 |
| North West | *96.2* | 96.3 | 95.1 |
| Wales | 88.3 | 89.9 | 84.6 |
| Scotland | 93.0 | 97.8 | 98.4 |
| Northern Ireland | 74.3 | 75.1 | 75.5 |

[1] The UK average excludes the Continental Shelf region. Figures in italics are for the pre-1974 standard regions; see Technical notes.

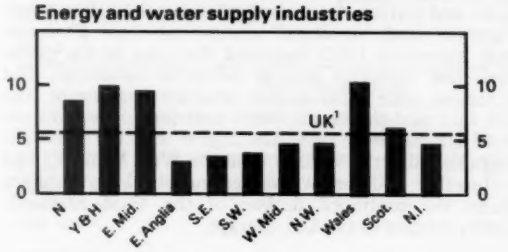
[1] Excluding the Continental Shelf region.

CHART B
**Industrial structure of the regions, 1981**
**Percentage of regional GDP**

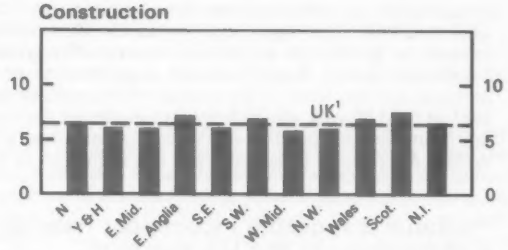
**Agriculture, forestry and fishing**



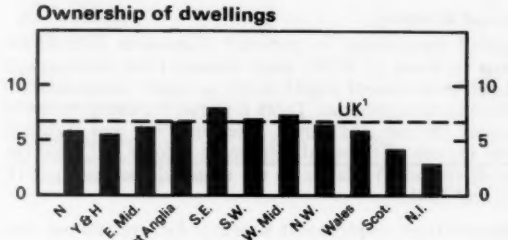

**Energy and water supply industries**



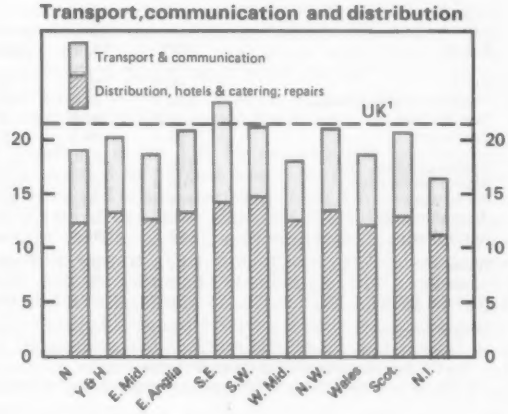

**Construction**



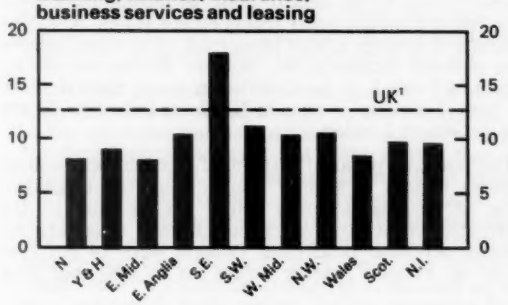

**Ownership of dwellings**



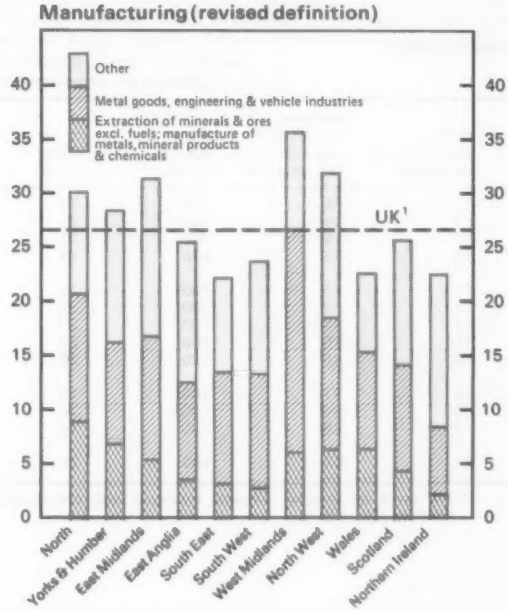

**Transport, communication and distribution**



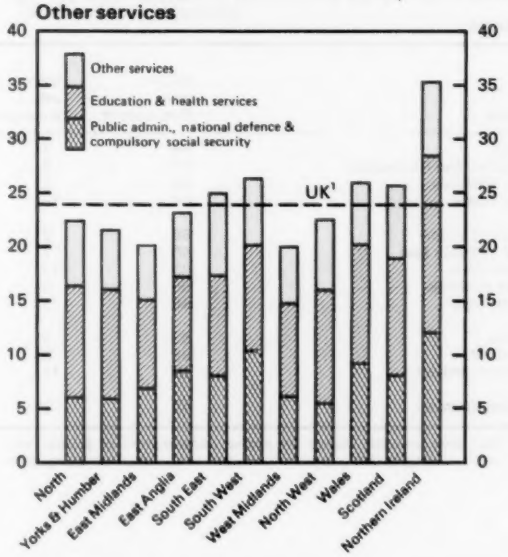

**Banking, finance, insurance, business services and leasing**




**Manufacturing (revised definition)**




**Other services**




¹Excluding the Continental Shelf region

what are now low growth industries eg. metals, motor vehicles and textiles. An analysis of regional GDP in terms of 'growth' and 'structural' components (see *Economic Trends* November 1982) suggested that nine of the eleven regions had relatively adverse industrial structures. The two regions with a favourable structure component (the South East and the South West) contributed over 40 per cent of UK GDP in 1981. The region with the most unfavourable industrial structure was the West Midlands and this, together with below average industrial performance explains the continued decline of the West Midlands economy relative to the UK average.

**Personal incomes**

Regional movements in personal disposable income are similar to those of GDP, since income from employment and self-employment together are a major component of both of these aggregates. Table E shows the components of personal income and direct taxes in 1981 and Table F shows indices of personal disposable income per head (ie. after direct taxes) relative to the national average in 1971, 1976 and 1981.

Income from employment accounts for over 60 per cent of the personal income of each region and together with income from self-employment about 75 per cent of the total. The proportions of incomes derived from rent, dividends and net interest and from national insurance etc. benefits are quite variable. The South West for example, which has a high proportion of owner occupied houses and of retired people, derives 27 per cent of personal income from these items, more than any other region except Wales. Northern Ireland also receives a high proportion of personal income from national insurance, etc. benefits. Another interesting feature of Table E is the variation in direct taxes from 18 per cent of personal income in Northern Ireland to 23 per cent in Greater London.

The range of personal disposable incomes per head in different regions is slightly smaller than the equivalent range of personal incomes before tax, because of the distributive effect of government taxation. Thus personal incomes per head in Greater London were 24 per cent above the national average before tax in 1981, but after tax they were only 20 per cent above average. At the other end of the scale, the impact of taxes on personal incomes in Northern Ireland was to raise the average per head from 80 per cent to 82 per cent of the national average in 1981.

In the early 1970's the combined effect of taxes, which grew as a percentage of personal income, and faster growth in GDP in the poorer regions, was to narrow the regional differences in personal disposable income per head. The situation in recent years has been less clear. Personal disposable income per head increased between 1976 and 1981 in the South West, Greater London, the Rest of the South East and East Anglia relative to the national average. There was a smaller increase in Northern Ireland over this period, reflecting the increase in income from employment between 1980 and 1981. The largest fall was in the West Midlands from 99 to 93 per cent of the UK average. The growth in national insurance benefits etc. as a proportion of total personal income, from 11 per cent in 1976 to 14 per cent in 1981 in the UK as a whole, helped to moderate the relative fall in income per head in the West Midlands and also in Wales. All regions benefited from the reduction in direct

## Personal disposable income per head as a percentage of the UK average[1]

TABLE F

| Region | 1971 | 1976 | 1981 |
|---|---|---|---|
| North | *88.9* | 95.2 | 95.1 |
| Yorkshire and Humberside | *94.3* | 94.9 | 93.5 |
| East Midlands | *96.0* | 95.6 | 96.0 |
| East Anglia | 96.3 | 94.9 | 96.6 |
| Greater London | 115.4 | 118.2 | 120.5 |
| Rest of South East | 108.6 | 103.7 | 106.2 |
| South West | 101.2 | 96.9 | 99.4 |
| West Midlands | 100.8 | 98.8 | 92.6 |
| North West | *96.1* | 96.6 | 96.0 |
| Wales | 91.4 | 93.7 | 91.0 |
| Scotland | 92.6 | 97.7 | 97.4 |
| Northern Ireland | 76.5 | 81.2 | 82.4 |
| United Kingdom | 100.0 | 100.0 | 100.0 |

[1] The UK average excludes the Continental Shelf region
Figures in italics are for the pre-1974 standard regions, see Technical notes.

## Components of personal income and direct taxes: 1981

TABLE E

percentage of personal income

| Region | Income from Employment | Income from self-employment | Rent, dividends and net interest[1] | National insurance and other current grants | Total personal income | Direct taxes[2] |
|---|---|---|---|---|---|---|
| North | 68 | 7 | 9 | 16 | 100 | 20 |
| Yorkshire and Humberside | 67 | 8 | 9 | 16 | 100 | 20 |
| East Midlands | 68 | 8 | 10 | 14 | 100 | 20 |
| East Anglia | 64 | 11 | 12 | 13 | 100 | 20 |
| Greater London | 68 | 9 | 11 | 12 | 100 | 23 |
| Rest of South East | 68 | 7 | 13 | 12 | 100 | 22 |
| South West | 63 | 10 | 13 | 14 | 100 | 20 |
| West Midlands | 66 | 8 | 11 | 15 | 100 | 20 |
| North West | 66 | 7 | 10 | 16 | 100 | 20 |
| Wales | 63 | 9 | 10 | 17 | 100 | 19 |
| Scotland | 68 | 8 | 8 | 16 | 100 | 20 |
| Northern Ireland | 63 | 11 | 7 | 18 | 100 | 18 |
| United Kingdom | 67 | 8 | 12 | 14 | 100 | 21 |

[1] Including imputed charge for capital consumption of private non-profit-making bodies and current transfers to charities from companies.

[2] UK taxes on income, national insurance etc. contributions and transfers abroad (net).

taxes between 1976 and 1981, (the increases in indirect taxes eg. VAT are not reflected here). Movements in the proportion of income paid in tax reflect changes in income as well as changes in tax, but comparing 1976 and 1981, the fall is estimated to have been greatest in East Anglia and the East Midlands and smallest in Scotland.

**Consumers' expenditure**

Consumers' expenditure, which includes expenditure by private non-profit-making bodies serving persons eg. universities, as well as expenditure by United Kingdom households at home and abroad, rose by 9 per cent in real terms between 1971 and 1976 and 9½ per cent between 1976 and 1981. Regional estimates are in current prices and are based on the Family Expenditure Survey, which has a relatively small sample; despite a smoothing process these estimates can move erratically and should therefore be used with caution.

The range of consumers' expenditure per head by residents of different regions is slightly smaller than the range of personal disposable income suggesting that a higher proportion of income is spent rather than saved in Northern Ireland, Wales and the West Midlands than in other regions. However, the precise differences cannot be measured with certainty. As with personal disposable income, regional differences in consumers' expenditure narrowed in the early 1970's, although the picture has been less clear since then. Between 1976 and 1981 consumers' expenditure by the residents of the South West has increased relative to the United Kingdom average, whereas expenditure by residents of Yorkshire and Humberside has fallen.

Expenditure in the UK by residents and non-residents can be analysed by purpose (see Table G). Expenditure on food, drink and tobacco formed a lower proportion of total expenditure in the South East and South West than elsewhere in the UK in 1981, reflecting their higher levels of disposable income. This proportion was highest in the North, and Yorkshire and Humberside, which reflects the high level of expenditure on alcohol and tobacco recorded by the Family Expenditure Survey in these regions. Expenditure on housing and fuel was similar in most regions as a proportion of the total, but higher in the South West and lower in Scotland reflecting the different proportion of owner-occupiers. It is worth noting that although a lower proportion of expenditure in the South East is on food, drink and tobacco than elsewhere the absolute amount spent per head, about £760 in 1981, was higher than in every region except the North.

**Household and tourist[1] expenditure in the UK by purpose: 1981**

TABLE G

| Region | Percentage spent on | | |
|---|---|---|---|
| | Food, drink and tobacco | Housing and fuel | Other |
| North | 32 | 20 | 48 |
| Yorkshire and Humberside | 32 | 20 | 48 |
| East Midlands | 28 | 20 | 52 |
| East Anglia | 27 | 22 | 51 |
| South East | 24 | 22 | 54 |
| South West | 25 | 23 | 51 |
| West Midlands | 28 | 22 | 50 |
| North West | 29 | 21 | 50 |
| Wales | 30 | 20 | 50 |
| Scotland | 31 | 18 | 52 |
| Northern Ireland | 31 | 21 | 48 |
| United Kingdom | 27 | 21 | 51 |

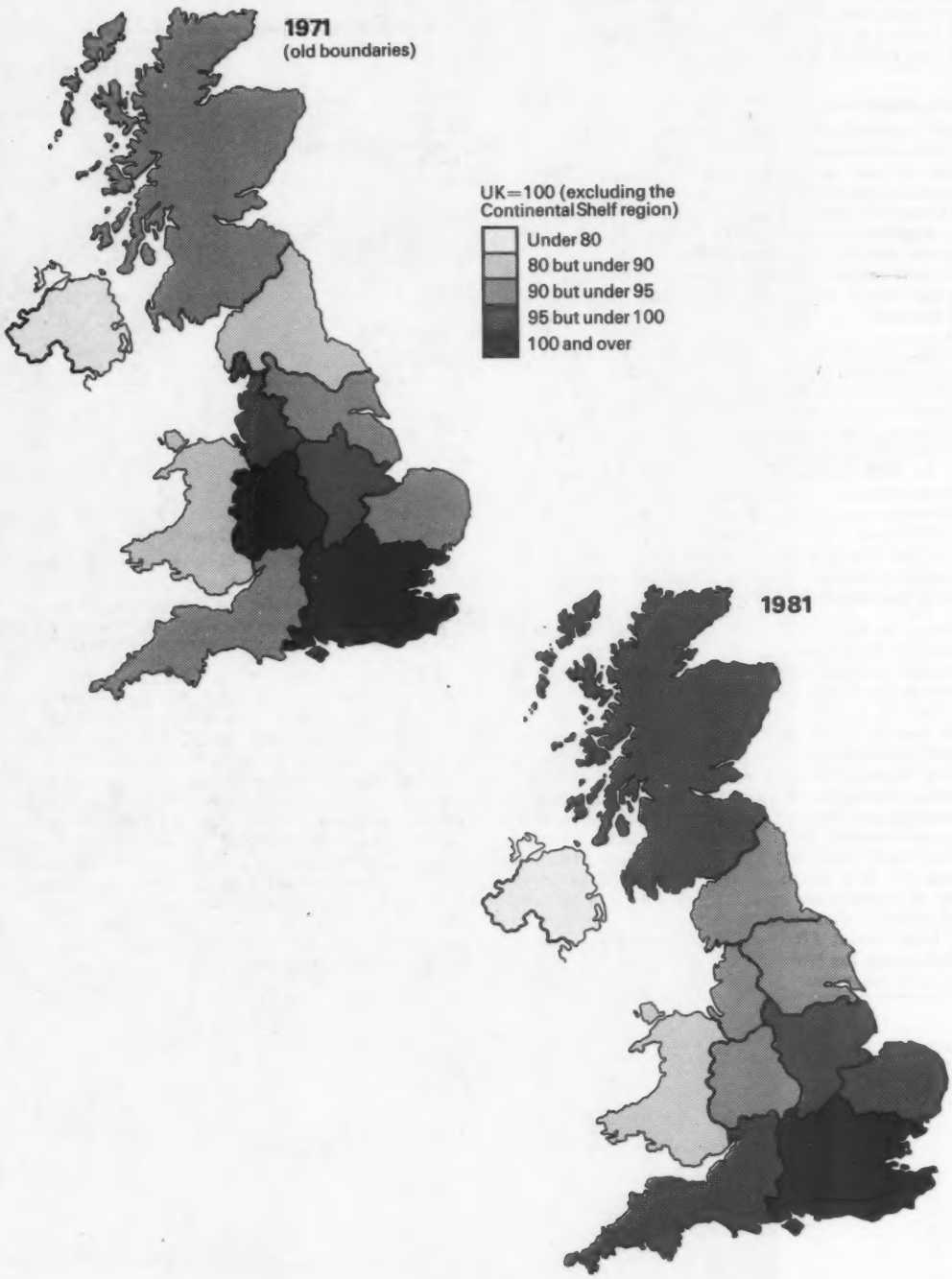
[1] and other non-residents.

**Gross domestic fixed capital formation**

The industrial analysis of gross domestic fixed capital formation prepared as part of the regional accounts covers agriculture, manufacturing and other industries where regional statistics are available or can be estimated reliably; it does not cover all capital expenditure in the UK.

Regional expenditure on fixed assets in the industries analysed, when expressed as a proportion of regional GDP in the corresponding industries, was markedly higher in Northern Ireland, Scotland and Wales in 1981 than in the UK as a whole and lower in the East and West Midlands. Of the industries covered, the greatest variation across regions was in the energy industries, where capital expenditure (expressed as a percentage of GDP) ranged from 19 per cent in the East Midlands to 73 per cent in Scotland compared with a national average of 37 per cent excluding the Continental Shelf region). Other interesting features include the high level of investment for Scotland and Northern Ireland in dwellings, for Northern Ireland in agriculture and for Wales in manufacturing, relative to GDP in these industries.

## GDP per head by region



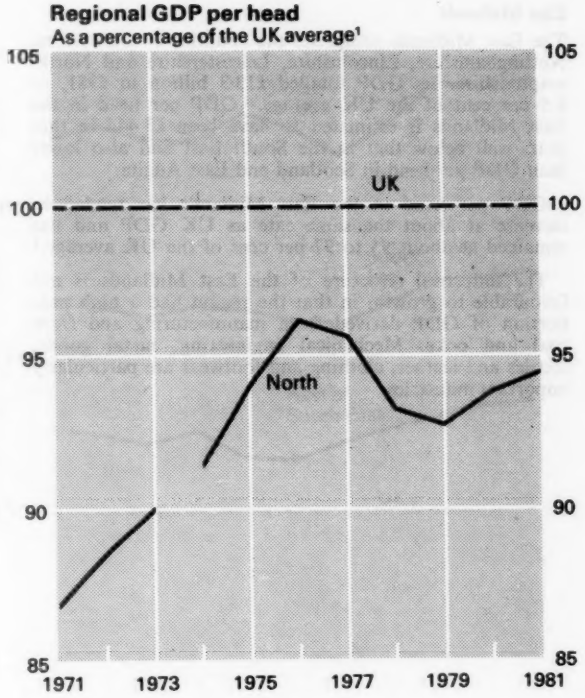
## Regional notes

### North

The North comprises the counties of Cleveland, Cumbria, Durham, Northumberland and the metropolitan county of Tyne and Wear. The region's GDP is estimated to have been £10·6 billion in 1981 or 5·2 per cent of the UK total[1]. GDP per head in that year was £3 407, which is well below the average, but close to that of several other regions.

In the early 1970's the North experienced a period of very rapid economic growth, as a result of North Sea oil and gas related activity, and GDP per head is estimated to have increased from less than 90 per cent of the UK average[1] in 1971 to 96 per cent in 1976.

The chemical and man-made fibre industries, mechanical engineering and coal and coke are important employers and still generate 14·8 per cent of the region's GDP compared with 7·6 per cent in the UK as a whole. The reliance on these and other slow-growing industries, together with the below-average performance of some industries eg. construction in the North accounts for the relative decline in GDP per head from 96 per cent to 93 per cent of the average[1] between 1976 and 1979. Since 1979 GDP per head has increased slightly relative to that of other regions.

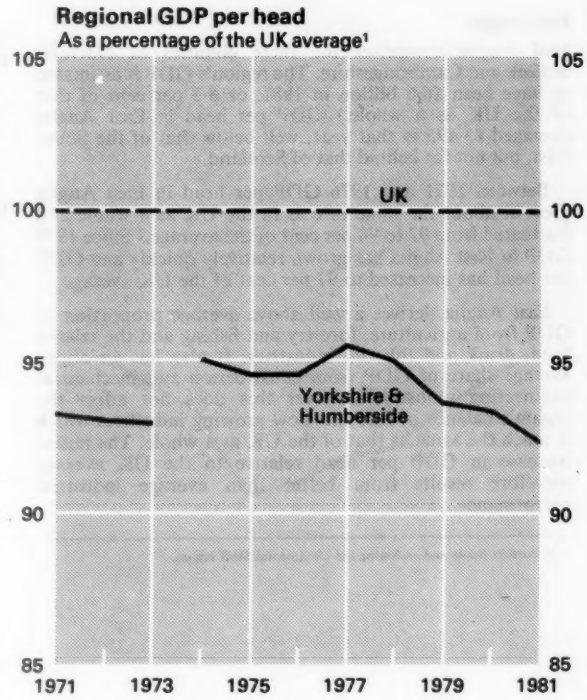



### Yorkshire and Humberside

In 1981, the GDP of Yorkshire and Humberside is estimated to have been £16·4 billion, or 8·1 per cent of that of the UK as a whole[1]. The region's GDP per head in that year was £3 332 per head, which is higher than in Northern Ireland, Wales and the West Midlands, but lower than in all other regions.

The relative decline in recent years may have been caused largely by the industrial structure of Yorkshire and Humberside. The region derives a fairly high proportion of GDP from manufacturing and has an above-average share of metal manufacture and textiles, which have generally performed worse than other industries in recent years. The production of coal and coke is also an important industry in the region.

[1] At current prices and excluding the Continental Shelf region.



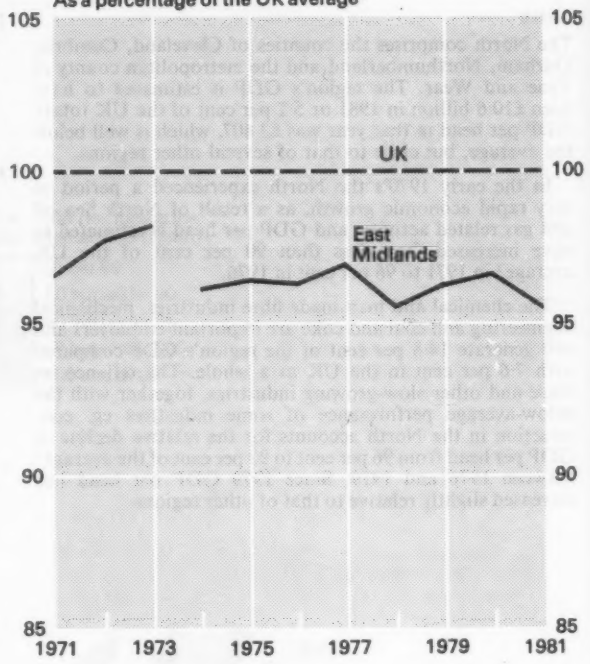
**East Midlands**

The East Midlands comprises the counties of Derbyshire, Nottinghamshire, Lincolnshire, Leicestershire and Northamptonshire. Its GDP totalled £13·3 billion in 1981, or 6·5 per cent of the UK average.[1] GDP per head in the East Midlands is estimated to have been £3 444 in that year, well below that in the South East and also lower than GDP per head in Scotland and East Anglia.

GDP per head in the East Midlands has tended to increase at about the same rate as UK GDP and has remained at about 95 to 97 per cent of the UK average.[1]

The industrial structure of the East Midlands is not favourable to growth, in that the region had a high proportion of GDP derived from manufacturing and from coal and coke. Mechanical engineering, metal goods, textiles and leather, clothing and footwear are particularly important industries.

**Regional GDP per head**
As a percentage of the UK average[1]



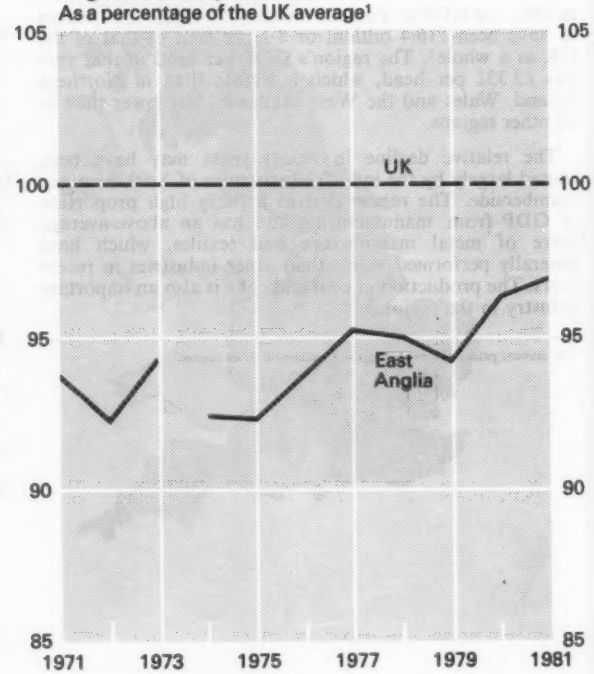

**East Anglia**

East Anglia comprises the three counties of Norfolk, Suffolk and Cambridgeshire. The region's GDP is estimated to have been £6·6 billion in 1981, or 3·3 per cent of that of the UK as a whole.[1] GDP per head in East Anglia averaged £3 495 in that year, well below that of the South East, but not far behind that of Scotland.

Between 1971 and 1976 GDP per head in East Anglia grew at about the same rate as in the UK as a whole and fluctuated from 92 to 94 per cent of the average.[1] Since 1976 GDP in East Anglia has grown relatively quickly and GDP per head has increased to 97 per cent of the UK average.

East Anglia derives a well above average proportion of GDP from agriculture, forestry and fishing and the related food, drink and tobacco industries. It also has an above average share of GDP from construction and mechanical engineering industry, however this does not affect the region's balance of fast and slow growing industries which is much the same as that of the UK as a whole. The recent increase in GDP per head relative to the UK average therefore results from better than average industrial performance.

**Regional GDP per head**
As a percentage of the UK average[1]




[1] At current prices and excluding the Continental Shelf region.

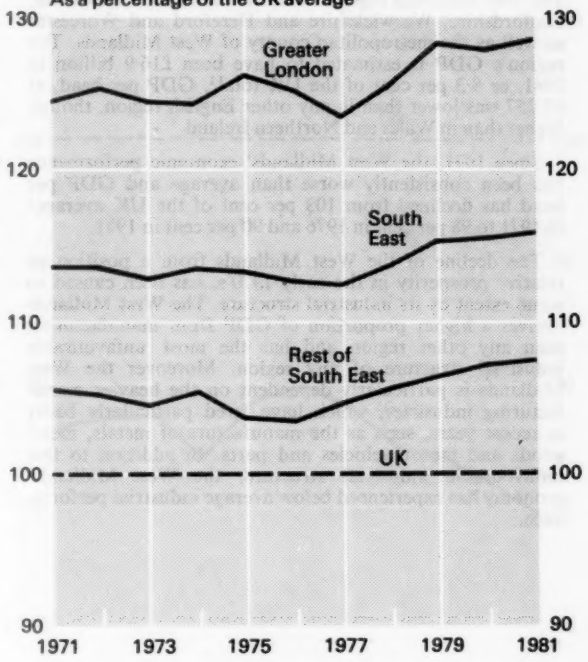
**South East**

The South East has by far the largest population of any region including as it does counties from Essex and Kent to Oxfordshire, Hampshire and the Isle of Wight. The region's GDP in 1981 was £71·0 billion or 35·0 per cent of the UK total.[1] GDP per head at £4 177 in that year, remained the highest figure by a substantial margin. It is estimated that GDP per head for Greater London was £4 635 in 1981 compared with £3 871 in the Rest of the South East.

Between 1971 and 1977 other regions grew slightly faster than the South East so that its GDP per head moved closer to the UK average. However since 1977 this trend has been reversed and GDP per head in 1981 was 129 per cent of the UK average[1] in Greater London and 107 per cent in the Rest of the South East, higher than at any time in the 1970's

The industrial structure of the South East is generally favourable to growth with a below average proportion of GDP derived from manufacturing industries and a high proportion derived from banking, finance, insurance, business services and leasing.

**Regional GDP per head**
As a percentage of the UK average[1]



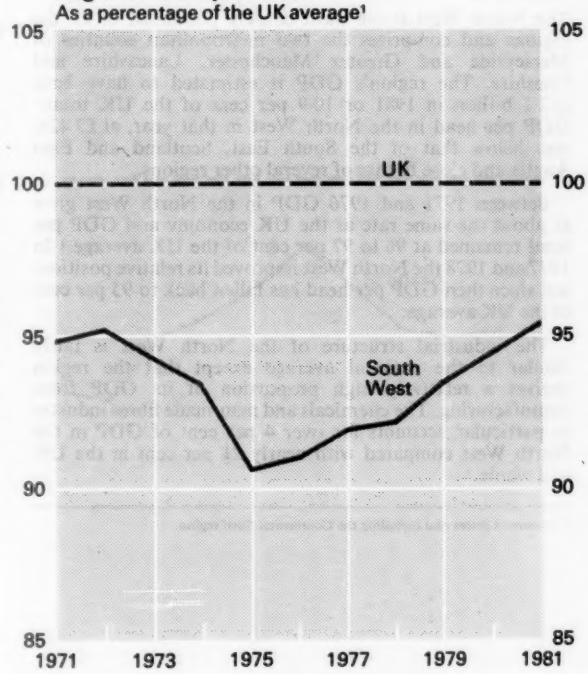

**South West**

The South West region extends from Cornwall to Dorset, Wiltshire and Gloucestershire. Its GDP is estimated to have been £15·0 billion in 1981, or 7·4 per cent of that of the UK as a whole.[1] The region's GDP per head was £3 434 that year, below that of the South East, Scotland and East Anglia and close to that of several other regions. Personal disposable income in 1981, at £3 069 per head was second only to that in the South East, reflecting the high proportion of personal income derived from rent, dividends and net interest and national insurance and other benefits.

In 1971 GDP per head in the South West was about 95 per cent of the UK average[1], but by 1975 this proportion had slipped to 91 per cent, reflecting below average growth in the region. Since then the South West has performed better than many regions and aided by a favourable industrial structure has regained its original position with GDP per head at 95 per cent of the UK average.

The South West derives a below average proportion of GDP from manufacturing. Two groups of industries which are strongly represented in the South West are agriculture, forestry and fishing and public administration, defence and compulsory social security.

**Regional GDP per head**
As a percentage of the UK average[1]




[1] At current prices and excluding the Continental Shelf region.

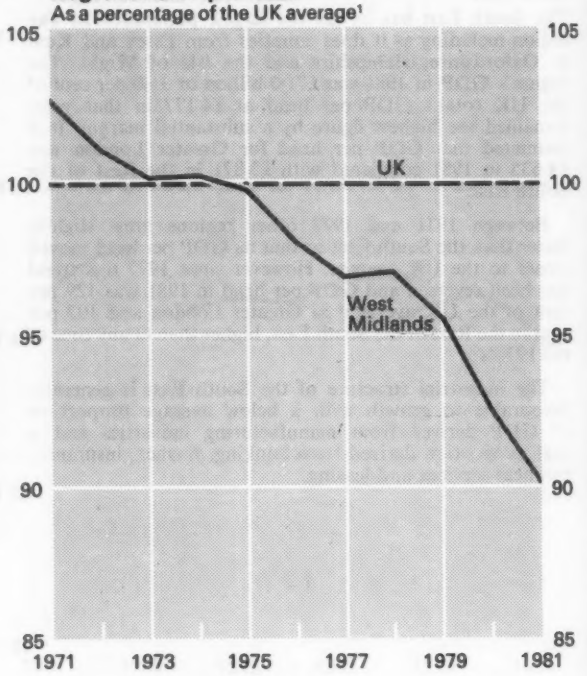
**West Midlands**

The West Midlands region covers the counties of Shropshire, Staffordshire, Warwickshire and Hereford and Worcester as well as the metropolitan county of West Midlands. The region's GDP is estimated to have been £16·9 billion in 1981, or 8·3 per cent of the UK total[1]. GDP per head, at £3 257 was lower than in any other English region, though higher than in Wales and Northern Ireland.

Since 1971, the West Midlands' economic performance has been consistently worse than average and GDP per head has declined from 103 per cent of the UK average[1] in 1971 to 98 per cent in 1976 and 90 per cent in 1981.

The decline of the West Midlands from a position of relative prosperity in the early 1970's, has been caused to some extent by its industrial structure. The West Midlands derives a higher proportion of GDP from manufacturing than any other region and has the most unfavourable industrial structure of any region. Moreover the West Midlands is particularly dependent on the heavier manufacturing industries, which have fared particularly badly in recent years, such as the manufacture of metals, metal goods and motor vehicles and parts. In addition to this unfavourable industrial structure, the West Midlands' economy has experienced below average industrial performance.

**Regional GDP per head**
As a percentage of the UK average[1]




**North West**

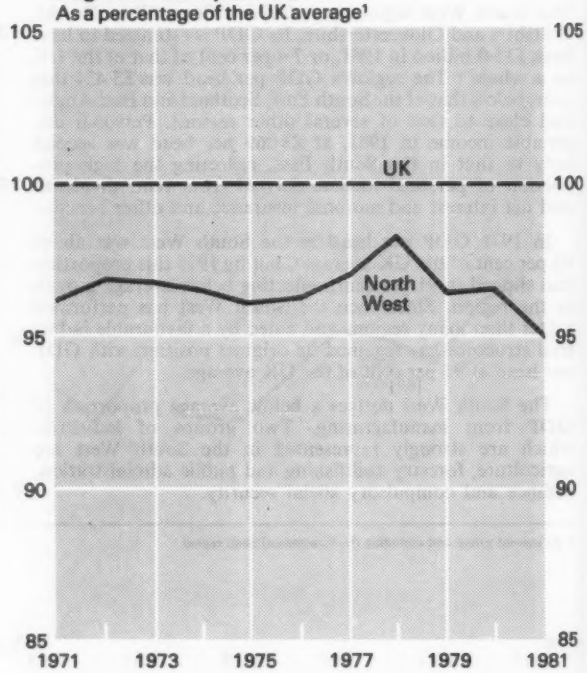
The North West is the most densely populated of all the regions and comprises the two metropolitan counties of Merseyside and Greater Manchester, Lancashire and Cheshire. The region's GDP is estimated to have been £22·1 billion in 1981 or 10·9 per cent of the UK total.[1] GDP per head in the North West in that year, at £3 428, was below that of the South East, Scotland and East Anglia and close to that of several other regions.

Between 1971 and 1976 GDP in the North West grew at about the same rate as the UK economy and GDP per head remained at 96 to 97 per cent of the UK average.[1] In 1977 and 1978 the North West improved its relative position, but since then GDP per head has fallen back to 95 per cent of the UK average.

The industrial structure of the North West is fairly similar to the national average except that the region derives a relatively high proportion of its GDP from manufacturing. The chemicals and man-made fibres industry in particular accounts for over 4 per cent of GDP in the North West compared with nearly 2½ per cent in the UK as a whole.[1]

[1] At current prices and excluding the Continental Shelf region.

**Regional GDP per head**
As a percentage of the UK average[1]

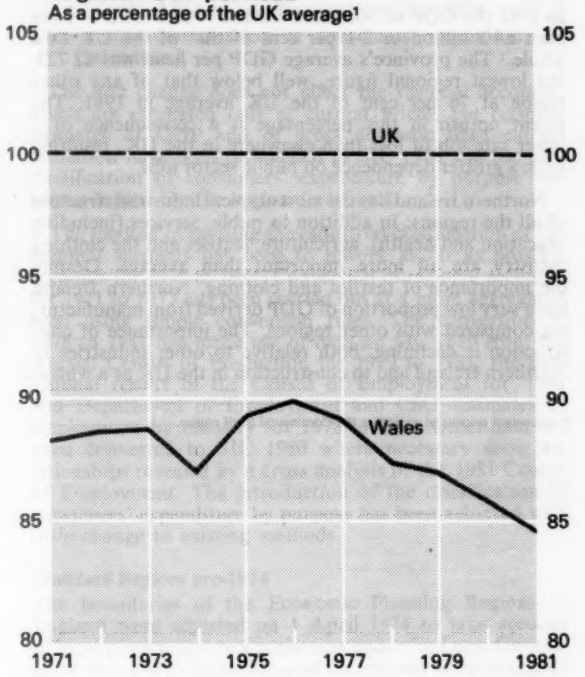


### Wales

In 1981, the GDP of Wales is estimated to have been £8·6 billion, or 4·2 per cent of the UK total.[1] The principality's GDP per head in that year was £3 049, the second lowest of the eleven regions. In recent years GDP per head in Wales has slipped from a peak of 90 per cent of the UK average[1] in 1976 to 85 per cent in 1981.

This relative decline is partly traceable to the problems of the Welsh industrial structure, which tended to be biased towards steel, coal mining and agriculture; other manufacturing industries being less important than elsewhere. The decline of the steel industry, heavily represented in Wales, has been a major feature of the economy in recent years. Apart from the energy industries and vehicles, which performed better in Wales than in the UK as a whole, industrial performance has been disappointing for a wide range of industries.

**Regional GDP per head**
As a percentage of the UK average[1]




### Scotland

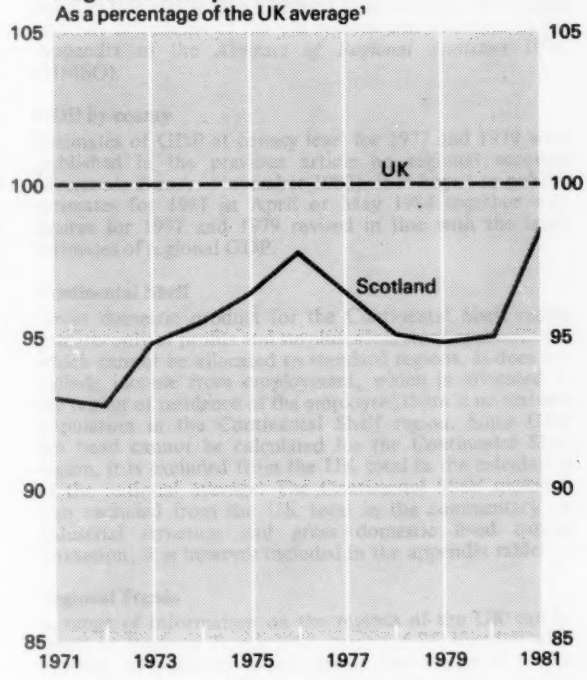
In 1981, the GDP of Scotland is estimated to have been £18·3 billion, or 9·0 per cent of that of the UK as a whole.[1] Scottish GDP per head in that year was £3 547, well below that of the South East, but slightly higher than GDP per head in any other region. These revised estimates confirm that GDP in Scotland increased sharply in 1981.

Scotland's GDP per head grew relative to the UK average during the early 1970's, strongly influenced by North Sea oil and gas, and reached a peak in 1976 (see chart). Since 1976 Scotland's GDP per head has been about 95 per cent of the UK average,[1] but in 1981 it increased sharply to 98 per cent.

Scotland derives a higher proportion of GDP from agriculture, forestry and fishing, food, drink and tobacco and construction than the UK average, although it has a below average proportion of GDP from manufacturing.

[1] At current prices and excluding the Continental Shelf region.

**Regional GDP per head**
As a percentage of the UK average[1]



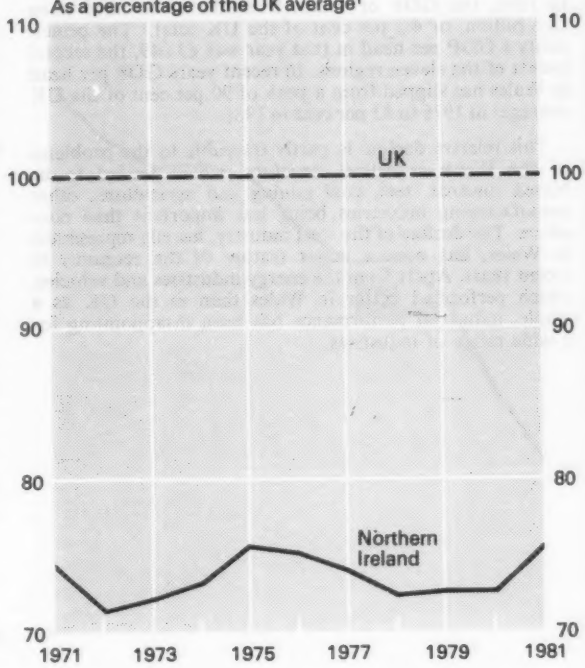
**Northern Ireland**

In 1981 the GDP of Northern Ireland is estimated to have been £4·3 billion or 2·1 per cent of that of the UK as a whole.[1] The province's average GDP per head was £2 723, the lowest regional figure, well below that of any other region at 76 per cent of the UK average in 1981. The recent upturn in this percentage is a consequence of a lower rate job of loss than elsewhere in the UK, resulting from a greater dependence on public sector jobs.

Northern Ireland has the most atypical industrial structure of all the regions. In addition to public services (including education and health), agriculture, textiles and the clothing industry are all more important than average. Despite the importance of textiles and clothing, Northern Ireland has a very low proportion of GDP derived from manufacturing compared with other regions. The importance of construction is declining, both relative to other industries in Northern Ireland and to construction in the UK as a whole.

[1] At current prices and excluding the Continental Shelf region.

**Regional GDP per head**
As a percentage of the UK average[1]



# Technical notes

### Regional Accounts methodology

The methodology employed in producing the regional accounts estimates is fully described in *Regional Accounts* (Studies in Official Statistics No. 31) published in 1978. The main methodological development in regional GDP since 1978 concerns manufacturing profits. Initial estimates of profits plus income from self-employment for each manufacturing industry are obtained by subtracting income from employment from regional gross value added. The Annual Census of Production is now used as the source for income from employment as well as gross value added in this calculation. Estimates of income from self-employment in manufacturing industry as a whole are then subtracted to give estimates of total profit and surpluses from manufacturing.

A methodological change made in this article is to estimate all the components of GDP for agriculture directly from data supplied by the Ministry of Agriculture, Fisheries and Food and independently of the methods used for other industries. The iterative procedure of deriving wages and salaries by industry and region is now used for all industries except agriculture, forestry and fishing and the regional control totals based on the one per cent DHSS sample of national insurance cards also exclude employees in these industries.

A less important methodological change affecting the estimates published in this article concerns stock appreciation in manufacturing. The total for each industry within manufacturing is now distributed by region according to the allocation of gross value added (based on data from the Annual Census of Production). Previously, personal sector stock appreciation for each industry was distributed according to regional income from self-employment and the rest according to profits and surpluses for each industry.

There have been a number of other minor methodological changes, some consequent upon changes to the national accounts, however, these will have had little effect on the published figures.

### Revisions

As usual, the estimates presented in this article have been brought into line with the latest revisions to aggregates in the national accounts and are thus in agreement with figures appearing in the 1983 edition of the Blue Book *National and Income Expenditure*.

Since the article published in the November 1982 issue of *Economic Trends* more up-to-date regional information has become available from a number of important sources. Most notable are regional wages and salaries estimates from the one per cent DHSS sample for 1981 together with revised estimates for 1978, 1979 and 1980. The results of the Annual Census of Production for 1981 have also become available as have revised employment estimates for 1978 to 1981. These employment estimates take account of the provisional results of the 1981 Census of Employment and may be subject to further revision in 1984. This in turn may lead to some minor revisions to GDP by industry within each region, although regional GDP is unlikely to be affected. GDP estimates for Greater London, the Rest of South East and East Anglia are slightly weaker than those for other regions in 1979 and 1980, although significant revisions are not expected.

### Reclassification of the Regional Accounts

The presentation of data in the 1983 Edition of the Blue Book *National Income and Expenditure* differs from the prsentation in previous issues in three main respects:

(*a*) constant price data are expressed in 1980 prices;

(*b*) industrial data are classified according to the revised Standard Industrial Classification (SIC 1980)

(*c*) a new classification of consumers' expenditure is introduced.

The first change does not affect the regional accounts, which are estimated only at current prices, but regional estimates of GDP and of gross domestic fixed capital formation have been reclassified to SIC 1980 and the new classification of consumers' expenditure by purpose has been adopted for the regional accounts.

The method of revising the industrial classification of the regional accounts has been to rework as far as possible accounts for 1978 to 1981. Conversion of regional accounts for 1971 to 1977 has been carried out at a more aggregated level using simple conversion rules. The conversion of 1978 to 1981 has made use of data on SIC 1980 from the Annual Census of Production for 1979 to 1981, the provisional results of the Census of Employment for 1981 and Department of Employment and CSO estimates of employment by industry for 1978 to 1980. Other data has been converted to SIC 1980 where necessary using relationships revealed by a cross analysis of the 1981 Census of Employment. The introduction of the classification of consumers' expenditure by purpose has been achieved with little change to existing methods.

### Standard Regions pre-1974

The boundaries of the Economic Planning Regions in England were adjusted on 1 April 1974 to take account of local government reorganisation under the Local Government Act, 1972. Boundaries of six regions were changed: North, Yorkshire and Humberside, East Midlands, South East, South West and North West. Figures in this article for 1971 to 1973 are for the old regions and are not completely comparable with those for later years. Figures on the old basis are printed in italics except for the South East and South West where changes were very minor. The maps in this article give a general impression of the changes and full definitions of the old regions can be found in the Appendix of the *Abstract of Regional Statistics* 1974, (HMSO).

### GDP by county

Estimates of GDP at county level for 1977 and 1979 were published in the previous article on regional accounts (*Economic Trends:* November 1982). It is hoped to publish estimates for 1981 in April or May 1984 together with figures for 1977 and 1979 revised in line with the latest estimates of regional GDP.

### Continental Shelf

Gross domestic product for the Continental Shelf region consists only of profits and surpluses less stock appreciation, which cannot be allocated to standard regions. It does not include income from employment, which is allocated to the region of residence of the employee; there is no resident population in the Continental Shelf region. Since GDP per head cannot be calculated for the Continental Shelf region, it is excluded from the UK total in the calculation of the national average. The Continental Shelf region is also excluded from the UK total in the commentary on industrial structure and gross domestic fixed capital formation; it is however included in the appendix tables.

### Regional Trends

A range of information on the regions of the UK can be found in *Regional Trends* 1983, price £16.95, together with selected statistics at county level. The range of topics covered in *Regional Trends* includes population, health, housing, education and employment and agriculture. The 1984 edition will be available in February next year.

# APPENDIX

## Gross domestic product at factor cost: current prices

TABLE 1

| | 1971[1] | 1972[1] | 1973[1] | 1974 | 1975 |
|---|---|---|---|---|---|
| **£ million** | | | | | |
| United Kingdom | 49 417 | 56 282 | 65 464 | 74 530 | 94 332 |
| North | 2 544 | 2 945 | 3 475 | 3 817 | 4 965 |
| Yorkshire and Humberside | 3 988 | 4 525 | 5 255 | 6 201 | 7 805 |
| East Midlands | 2 908 | 3 366 | 3 960 | 4 766 | 6 073 |
| East Anglia | 1 402 | 1 590 | 1 918 | 2 181 | 2 794 |
| South East | 17 463 | 19 844 | 22 882 | 25 611 | 32 292 |
| Greater London | 8 230 | 9 278 | 10 611 | 11 925 | 15 168 |
| Rest of South East | 9 233 | 10 566 | 12 271 | 13 686 | 17 124 |
| South West | 3 193 | 3 677 | 4 279 | 5 236 | 6 469 |
| West Midlands | 4 675 | 5 250 | 6 054 | 6 913 | 8 714 |
| North West | 5 764 | 6 596 | 7 648 | 8 456 | 10 640 |
| England | 41 937 | 47 793 | 55 471 | 63 181 | 79 752 |
| Wales | 2 137 | 2 442 | 2 854 | 3 197 | 4 170 |
| Scotland | 4 310 | 4 872 | 5 784 | 6 640 | 8 467 |
| Northern Ireland | 1 015 | 1 114 | 1 306 | 1 509 | 1 963 |
| United Kingdom *less* Continental Shelf | 49 398 | 56 221 | 65 414 | 74 527 | 94 352 |
| Continental Shelf[2] | 19 | 61 | 50 | 3 | −20 |
| **United Kingdom *less* Continental Shelf = 100** | | | | | |
| United Kingdom | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| North | 5.2 | 5.2 | 5.3 | 5.1 | 5.3 |
| Yorkshire and Humberside | 8.1 | 8.0 | 8.0 | 8.3 | 8.3 |
| East Midlands | 5.9 | 6.0 | 6.1 | 6.4 | 6.4 |
| East Anglia | 2.8 | 2.8 | 2.9 | 2.9 | 3.0 |
| South East | 35.4 | 35.3 | 35.0 | 34.4 | 34.2 |
| Greater London | 16.7 | 16.5 | 16.2 | 16.0 | 16.1 |
| Rest of South East | 18.7 | 18.8 | 18.8 | 18.4 | 18.1 |
| South West | 6.5 | 6.5 | 6.5 | 7.0 | 6.9 |
| West Midlands | 9.5 | 9.3 | 9.3 | 9.3 | 9.2 |
| North West | 11.7 | 11.7 | 11.7 | 11.3 | 11.3 |
| England | 84.9 | 85.0 | 84.8 | 84.8 | 84.5 |
| Wales | 4.3 | 4.3 | 4.4 | 4.3 | 4.4 |
| Scotland | 8.7 | 8.7 | 8.8 | 8.9 | 9.0 |
| Northern Ireland | 2.1 | 2.0 | 2.0 | 2.0 | 2.1 |
| **Per head, £[3]** | | | | | |
| United Kingdom *less* Continental Shelf | 888 | 1 008 | 1 170 | 1 333 | 1 688 |
| North | 772 | 894 | 1 055 | 1 219 | 1 588 |
| Yorkshire and Humberside | 829 | 938 | 1 088 | 1 268 | 1 597 |
| East Midlands | 858 | 985 | 1 148 | 1 281 | 1 627 |
| East Anglia | 832 | 929 | 1 103 | 1 232 | 1 557 |
| South East | 1 010 | 1 146 | 1 321 | 1 513 | 1 912 |
| Greater London | 1 106 | 1 263 | 1 457 | 1 660 | 2 132 |
| Rest of South East | 938 | 1 060 | 1 223 | 1 404 | 1 752 |
| South West | 842 | 959 | 1 104 | 1 245 | 1 529 |
| West Midlands | 913 | 1 019 | 1 173 | 1 337 | 1 686 |
| North West | 854 | 977 | 1 132 | 1 286 | 1 622 |
| England | 909 | 1 032 | 1 195 | 1 362 | 1 719 |
| Wales | 784 | 893 | 1 038 | 1 159 | 1 508 |
| Scotland | 826 | 935 | 1 110 | 1 273 | 1 626 |
| Northern Ireland | 660 | 721 | 844 | 976 | 1 277 |
| **Per head, United Kingdom *less* Continental Shelf = 100** | | | | | |
| United Kingdom | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| North | 86.9 | 88.7 | 90.2 | 91.5 | 94.1 |
| Yorkshire and Humberside | 93.3 | 93.1 | 93.0 | 95.1 | 94.6 |
| East Midlands | 96.6 | 97.8 | 98.2 | 96.1 | 96.4 |
| East Anglia | 93.6 | 92.2 | 94.3 | 92.4 | 92.3 |
| South East | 113.7 | 113.7 | 113.0 | 113.5 | 113.3 |
| Greater London | 124.5 | 125.4 | 124.6 | 124.5 | 126.3 |
| Rest of South East | 105.5 | 105.1 | 104.6 | 105.4 | 103.8 |
| South West | 94.8 | 95.2 | 94.4 | 93.4 | 90.6 |
| West Midlands | 102.8 | 101.1 | 100.3 | 100.3 | 99.9 |
| North West | 96.2 | 96.9 | 96.8 | 96.5 | 96.1 |
| England | 102.3 | 102.4 | 102.2 | 102.2 | 101.9 |
| Wales | 88.3 | 88.6 | 88.8 | 87.0 | 89.3 |
| Scotland | 93.0 | 92.8 | 94.9 | 95.5 | 96.4 |
| Northern Ireland | 74.3 | 71.5 | 72.1 | 73.2 | 75.6 |

## Gross domestic product at factor cost: current prices

TABLE 1—continued

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 |
|---|---|---|---|---|---|---|
| **£ million** | | | | | | |
| United Kingdom | 109 910 | 127 681 | 146 962 | 170 174 | 198 440 | 214 793 |
| *North* | 5 884 | 6 709 | 7 476 | 8 437 | 9 826 | 10 621 |
| *Yorkshire and Humberside* | 9 039 | 10 494 | 11 994 | 13 468 | 15 484 | 16 385 |
| *East Midlands* | 7 050 | 8 172 | 9 258 | 10 676 | 12 390 | 13 265 |
| *East Anglia* | 3 331 | 3 914 | 4 524 | 5 173 | 6 149 | 6 630 |
| *South East* | 37 173 | 42 633 | 49 506 | 57 243 | 66 257 | 71 049 |
| *Greater London* | 17 259 | 19 389 | 22 459 | 25 991 | 29 753 | 31 539 |
| *Rest of South East* | 19 914 | 23 244 | 27 047 | 31 252 | 36 504 | 39 511 |
| *South West* | 7 578 | 8 851 | 10 234 | 11 879 | 13 911 | 15 046 |
| *West Midlands* | 9 898 | 11 253 | 12 947 | 14 530 | 16 208 | 16 893 |
| *North West* | 12 330 | 14 273 | 16 514 | 18 388 | 21 147 | 22 140 |
| England | 92 284 | 106 299 | 122 454 | 139 794 | 161 372 | 172 029 |
| Wales | 4 874 | 5 552 | 6 242 | 7 115 | 8 085 | 8 580 |
| Scotland | 9 960 | 11 272 | 12 725 | 14 432 | 16 619 | 18 269 |
| Northern Ireland | 2 261 | 2 559 | 2 878 | 3 300 | 3 815 | 4 259 |
| United Kingdom *less* Continental Shelf | 109 378 | 125 683 | 144 299 | 164 641 | 189 891 | 203 137 |
| Continental Shelf[2] | 532 | 1 998 | 2 663 | 5 533 | 8 549 | 11 656 |
| **United Kingdom *less* Continental Shelf = 100** | | | | | | |
| United Kingdom | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| *North* | 5.4 | 5.3 | 5.2 | 5.1 | 5.2 | 5.2 |
| *Yorkshire and Humberside* | 8.3 | 8.3 | 8.3 | 8.2 | 8.2 | 8.1 |
| *East Midlands* | 6.4 | 6.5 | 6.4 | 6.5 | 6.5 | 6.5 |
| *East Anglia* | 3.0 | 3.1 | 3.1 | 3.1 | 3.2 | 3.3 |
| *South East* | 34.0 | 33.9 | 34.3 | 34.8 | 34.9 | 35.0 |
| *Greater London* | 15.8 | 15.4 | 15.6 | 15.8 | 15.7 | 15.5 |
| *Rest of South East* | 18.2 | 18.5 | 18.7 | 19.0 | 19.2 | 19.5 |
| *South West* | 6.9 | 7.0 | 7.1 | 7.2 | 7.3 | 7.4 |
| *West Midlands* | 9.0 | 9.0 | 9.0 | 8.8 | 8.5 | 8.3 |
| *North West* | 11.3 | 11.4 | 11.4 | 11.2 | 11.1 | 10.9 |
| England | 84.4 | 84.6 | 84.9 | 84.9 | 85.0 | 84.7 |
| Wales | 4.5 | 4.4 | 4.3 | 4.3 | 4.3 | 4.2 |
| Scotland | 9.1 | 9.0 | 8.8 | 8.8 | 8.8 | 9.0 |
| Northern Ireland | 2.1 | 2.0 | 2.0 | 2.0 | 2.0 | 2.1 |
| **Per head, £[3]** | | | | | | |
| United Kingdom *less* Continental Shelf | 1 957 | 2 250 | 2 584 | 2 946 | 3 394 | 3 605 |
| *North* | 1 884 | 2 153 | 2 413 | 2 833 | 3 188 | 3 407 |
| *Yorkshire and Humberside* | 1 852 | 2 152 | 2 459 | 2 761 | 3 170 | 3 332 |
| *East Midlands* | 1 886 | 2 181 | 2 469 | 2 835 | 3 279 | 3 444 |
| *East Anglia* | 1 835 | 2 142 | 2 455 | 2 777 | 3 269 | 3 495 |
| *South East* | 2 205 | 2 533 | 2 941 | 3 396 | 3 922 | 4 177 |
| *Greater London* | 2 453 | 2 782 | 3 247 | 3 779 | 4 344 | 4 635 |
| *Rest of South East* | 2 027 | 2 357 | 2 728 | 3 131 | 3 634 | 3 871 |
| *South West* | 1 780 | 2 069 | 2 382 | 2 752 | 3 203 | 3 434 |
| *West Midlands* | 1 919 | 2 183 | 2 512 | 2 820 | 3 145 | 3 257 |
| *North West* | 1 885 | 2 189 | 2 541 | 2 839 | 3 279 | 3 428 |
| England | 1 990 | 2 293 | 2 642 | 3 013 | 3 473 | 3 674 |
| Wales | 1 760 | 2 006 | 2 255 | 2 564 | 2 911 | 3 049 |
| Scotland | 1 914 | 2 169 | 2 457 | 2 793 | 3 225 | 3 547 |
| Northern Ireland | 1 470 | 1 665 | 1 870 | 2 139 | 2 466 | 2 723 |
| **Per head United Kingdom *less* Continental Shelf = 100** | | | | | | |
| United Kingdom | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| *North* | 96.2 | 95.7 | 93.3 | 92.8 | 93.9 | 94.5 |
| *Yorkshire and Humberside* | 94.6 | 95.6 | 95.1 | 93.7 | 93.4 | 92.4 |
| *East Midlands* | 96.3 | 96.9 | 95.5 | 96.2 | 96.6 | 95.5 |
| *East Anglia* | 93.8 | 95.2 | 95.0 | 94.2 | 96.3 | 96.9 |
| *South East* | 112.7 | 112.6 | 113.8 | 115.3 | 115.5 | 115.9 |
| *Greater London* | 125.3 | 123.6 | 125.6 | 128.3 | 128.0 | 128.6 |
| *Rest of South East* | 103.6 | 104.7 | 105.6 | 106.3 | 107.1 | 107.4 |
| *South West* | 91.0 | 91.9 | 92.2 | 93.4 | 94.4 | 95.3 |
| *West Midlands* | 98.1 | 97.0 | 97.2 | 95.7 | 92.6 | 90.3 |
| *North West* | 96.3 | 97.3 | 98.3 | 96.4 | 96.6 | 95.1 |
| England | 101.7 | 101.9 | 102.2 | 102.3 | 102.3 | 101.9 |
| Wales | 89.9 | 89.1 | 87.3 | 87.0 | 85.8 | 84.6 |
| Scotland | 97.8 | 96.4 | 95.1 | 94.8 | 95.0 | 98.4 |
| Northern Ireland | 75.1 | 74.0 | 72.4 | 72.6 | 72.6 | 75.5 |

[1] The figures in italics refer to regions whose boundaries are defined in terms of the local authorities in existence prior to the 1974 re-organisation in England and Wales.

[2] Gross domestic product for the Continental Shelf region does not include income from employment, which is allocated to the region of residence of the employee.

[3] Estimates of gross domestic product per head cannot be calculated for the Continental Shelf region as there is no resident population in this region.

## Gross domestic product by industry groups[1]

TABLE 2

| | £ million | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 1978 | 1979 | 1980 | 1981 | 1978 | 1979 | 1980 | 1981 |
| | North | | | | Yorkshire and Humberside | | | |
| Agriculture, forestry and fishing | 179 | 191 | 202 | 235 | 330 | 346 | 389 | 462 |
| Energy and water supply | 631 | 679 | 863 | 914 | 1 055 | 1 158 | 1 476 | 1 625 |
| Manufacturing (revised definition) | 2 460 | 2 712 | 3 052 | 3 233 | 4 016 | 4 324 | 4 667 | 4 652 |
| Minerals, metals and chemicals[3] | 735 | 811 | 903 | 981 | 1 106 | 1 139 | 1 144 | 1 145 |
| Metal goods, engineering and vehicles | 987 | 1 091 | 1 229 | 1 251 | 1 367 | 1 513 | 1 660 | 1 527 |
| Other manufacturing industries | 738 | 810 | 920 | 990 | 1 543 | 1 673 | 1 863 | 1 980 |
| Construction | 600 | 644 | 727 | 701 | 753 | 874 | 996 | 1 023 |
| Distribution, hotels and catering; repairs | 928 | 1 088 | 1 179 | 1 308 | 1 586 | 1 857 | 2 037 | 2 176 |
| Transport and communication | 516 | 589 | 644 | 719 | 854 | 975 | 1 080 | 1 145 |
| Financial and business services, etc[4] | 504 | 647 | 779 | 863 | 874 | 1 076 | 1 318 | 1 489 |
| Ownership of dwellings | 377 | 451 | 545 | 626 | 577 | 684 | 819 | 902 |
| Public administration and defence[5] | 388 | 437 | 573 | 645 | 600 | 682 | 877 | 982 |
| Education and health services | 645 | 738 | 975 | 1 115 | 1 046 | 1 138 | 1 450 | 1 662 |
| Other services | 434 | 482 | 557 | 629 | 632 | 731 | 849 | 922 |
| Adjustment for financial services | − 184 | − 222 | − 270 | − 357 | − 331 | − 378 | − 475 | − 653 |
| Total | 7 476 | 8 437 | 9 826 | 10 621 | 11 994 | 13 468 | 15 484 | 16 385 |
| | East Midlands | | | | East Anglia | | | |
| Agriculture, forestry and fishing | 343 | 348 | 420 | 435 | 341 | 362 | 447 | 474 |
| Energy and water supply | 788 | 878 | 1 141 | 1 262 | 132 | 132 | 175 | 196 |
| Manufacturing (revised definition) | 3 276 | 3 659 | 4 087 | 4 187 | 1 262 | 1 425 | 1 658 | 1 710 |
| Minerals, metals and chemicals[3] | 581 | 617 | 718 | 700 | 157 | 184 | 232 | 248 |
| Metal goods, engineering and vehicles | 1 236 | 1 400 | 1 569 | 1 557 | 505 | 553 | 614 | 595 |
| Other manufacturing industries | 1 459 | 1 642 | 1 799 | 1 930 | 599 | 689 | 811 | 868 |
| Construction | 540 | 650 | 770 | 794 | 330 | 383 | 450 | 483 |
| Distribution, hotels and catering; repairs | 1 214 | 1 368 | 1 555 | 1 690 | 629 | 727 | 835 | 884 |
| Transport and communication | 580 | 658 | 720 | 800 | 336 | 402 | 452 | 507 |
| Financial and business services, etc[4] | 633 | 808 | 962 | 1 074 | 404 | 506 | 608 | 686 |
| Ownership of dwellings | 538 | 652 | 744 | 820 | 275 | 338 | 393 | 441 |
| Public administration and defence[5] | 577 | 672 | 815 | 908 | 321 | 385 | 484 | 567 |
| Education and health services | 577 | 765 | 940 | 1 097 | 338 | 400 | 520 | 577 |
| Other services | 423 | 493 | 577 | 656 | 299 | 281 | 334 | 383 |
| Adjustment for financial services | − 232 | − 274 | − 341 | − 459 | − 144 | − 168 | − 207 | − 278 |
| Total | 9 258 | 10 676 | 12 390 | 13 265 | 4 524 | 5 173 | 6 149 | 6 630 |
| | South East | | | | South West | | | |
| Agriculture, forestry and fishing | 535 | 586 | 733 | 760 | 468 | 555 | 566 | 623 |
| Energy and water supply | 1 856 | 1 840 | 2 321 | 2 500 | 397 | 416 | 548 | 575 |
| Manufacturing (revised definition) | 12 379 | 13 687 | 15 357 | 15 793 | 2 626 | 2 928 | 3 388 | 3 593 |
| Minerals, metals and chemicals[3] | 1 758 | 1 944 | 2 319 | 2 298 | 330 | 369 | 423 | 445 |
| Metal goods, engineering and vehicles | 6 136 | 6 755 | 7 464 | 7 563 | 1 180 | 1 297 | 1 543 | 1 596 |
| Other manufacturing industries | 4 485 | 4 987 | 5 573 | 5 932 | 1 114 | 1 262 | 1 422 | 1 552 |
| Construction | 2 912 | 3 575 | 4 083 | 4 311 | 701 | 852 | 990 | 1 051 |
| Distribution, hotels and catering; repairs | 7 041 | 8 331 | 9 292 | 10 163 | 1 588 | 1 905 | 2 089 | 2 248 |
| Transport and communication | 4 840 | 5 415 | 5 980 | 6 687 | 660 | 760 | 835 | 945 |
| Financial and business services, etc[4] | 7 819 | 9 596 | 11 495 | 12 773 | 1 030 | 1 274 | 1 539 | 1 699 |
| Ownership of dwellings | 3 590 | 4 373 | 5 096 | 5 653 | 657 | 802 | 948 | 1 056 |
| Public administration and defence[5] | 3 592 | 4 140 | 5 169 | 5 715 | 942 | 1 079 | 1 375 | 1 574 |
| Education and health services | 4 088 | 4 641 | 5 821 | 6 665 | 897 | 1 006 | 1 315 | 1 450 |
| Other services | 3 682 | 4 291 | 4 894 | 5 384 | 632 | 726 | 844 | 944 |
| Adjustment for financial services | −2 828 | −3 233 | −3 984 | −5 354 | − 365 | − 425 | − 525 | − 710 |
| Total | 49 506 | 57 243 | 66 257 | 71 049 | 10 155 | 11 879 | 13 911 | 15 046 |
| | West Midlands | | | | North West | | | |
| Agriculture, forestry and fishing | 282 | 329 | 342 | 381 | 156 | 186 | 192 | 231 |
| Energy and water supply | 516 | 552 | 710 | 778 | 979 | 803 | 1 023 | 1 032 |
| Manufacturing (revised definition) | 5 544 | 5 834 | 6 108 | 6 003 | 6 042 | 6 540 | 7 296 | 7 113 |
| Minerals, metals and chemicals[3] | 1 060 | 1 039 | 1 062 | 1 010 | 1 322 | 1 430 | 1 508 | 1 397 |
| Metal goods, engineering and vehicles | 3 296 | 3 487 | 3 612 | 3 448 | 2 329 | 2 471 | 2 928 | 2 765 |
| Other manufacturing industries | 1 188 | 1 308 | 1 434 | 1 546 | 2 390 | 2 637 | 2 859 | 2 951 |
| Construction | 734 | 883 | 989 | 1 004 | 969 | 1 110 | 1 263 | 1 324 |
| Distribution, hotels and catering; repairs | 1 563 | 1 852 | 2 043 | 2 156 | 2 140 | 2 517 | 2 774 | 3 015 |
| Transport and communication | 725 | 810 | 874 | 937 | 1 339 | 1 475 | 1 579 | 1 685 |
| Financial and business services, etc[4] | 1 027 | 1 303 | 1 584 | 1 766 | 1 417 | 1 756 | 2 101 | 2 353 |
| Ownership of dwellings | 789 | 962 | 1 136 | 1 256 | 903 | 1 071 | 1 278 | 1 443 |
| Public administration and defence[5] | 659 | 767 | 950 | 1 058 | 787 | 875 | 1 110 | 1 227 |
| Education and health services | 941 | 1 042 | 1 280 | 1 462 | 1 367 | 1 538 | 1 957 | 2 310 |
| Other services | 561 | 666 | 779 | 874 | 955 | 1 137 | 1 326 | 1 438 |
| Adjustment for financial services | − 396 | − 468 | − 589 | − 782 | − 540 | − 620 | − 752 | −1 031 |
| Total | 12 947 | 14 530 | 16 208 | 16 893 | 16 514 | 18 388 | 21 147 | 22 140 |

## Gross domestic product by industry groups[1]

TABLE 2—continued

£ million

| | 1978 | 1979 | 1980 | 1981 | 1978 | 1979 | 1980 | 1981 |
|---|---|---|---|---|---|---|---|---|
| | **England** | | | | **Wales** | | | |
| Agriculture, forestry and fishing | 2 636 | 2 903 | 3 292 | 3 599 | 281 | 300 | 307 | 360 |
| Energy and water supply | 6 353 | 6 458 | 8 258 | 8 881 | 571 | 763 | 877 | 899 |
| Manufacturing (revised definition) | 37 605 | 41 109 | 45 612 | 46 274 | 1 729 | 1 861 | 1 906 | 1 915 |
| Minerals, metals and chemicals[3] | 7 049 | 7 533 | 8 311 | 8 224 | 575 | 589 | 492 | 559 |
| Metal goods, engineering and vehicles | 17 037 | 18 568 | 20 619 | 20 301 | 664 | 734 | 782 | 767 |
| Other manufacturing industries | 13 518 | 15 008 | 16 682 | 17 749 | 490 | 538 | 632 | 589 |
| Construction | 7 539 | 8 970 | 10 267 | 10 691 | 458 | 519 | 606 | 598 |
| Distribution, hotels and catering; repairs | 16 689 | 19 646 | 21 804 | 23 640 | 777 | 896 | 982 | 1 056 |
| Transport and communication | 9 851 | 11 084 | 12 164 | 13 424 | 443 | 494 | 553 | 577 |
| Financial and business services, etc[4] | 13 710 | 16 966 | 20 388 | 22 703 | 435 | 523 | 667 | 732 |
| Ownership of dwellings | 7 706 | 9 332 | 10 959 | 12 197 | 318 | 373 | 441 | 506 |
| Public administration and defence[5] | 7 865 | 9 037 | 11 354 | 12 674 | 477 | 541 | 722 | 794 |
| Education and health services | 9 900 | 11 269 | 14 258 | 16 338 | 585 | 637 | 821 | 962 |
| Other services | 7 618 | 8 806 | 10 159 | 11 230 | 326 | 388 | 440 | 495 |
| Adjustment for financial services | −5 018 | −5 787 | −7 144 | −9 624 | −156 | −178 | −237 | −314 |
| Total | 122 454 | 139 794 | 161 372 | 172 029 | 6 242 | 7 115 | 8 085 | 8 580 |
| | **Scotland** | | | | **Northern Ireland** | | | |
| Agriculture, forestry and fishing | 517 | 523 | 584 | 702 | 186 | 179 | 197 | 240 |
| Energy and water supply | 711 | 783 | 1 046 | 1 146 | 118 | 114 | 170 | 198 |
| Manufacturing (revised definition) | 3 627 | 4 012 | 4 305 | 4 636 | 688 | 779 | 811 | 958 |
| Minerals, metals and chemicals[3] | 507 | 568 | 693 | 734 | 108 | 123 | 106 | 87 |
| Metal goods, engineering and vehicles | 1 409 | 1 575 | 1 662 | 1 854 | 161 | 188 | 197 | 264 |
| Other manufacturing industries | 1 711 | 1 870 | 1 950 | 2 048 | 418 | 469 | 508 | 608 |
| Construction | 1 052 | 1 217 | 1 381 | 1 381 | 260 | 275 | 313 | 284 |
| Distribution, hotels and catering; repairs | 1 710 | 1 988 | 2 178 | 2 393 | 380 | 452 | 481 | 484 |
| Transport and communication | 1 090 | 1 196 | 1 291 | 1 450 | 167 | 183 | 209 | 220 |
| Financial and business services, etc[4] | 1 101 | 1 363 | 1 587 | 1 810 | 258 | 320 | 386 | 413 |
| Ownership of dwellings | 513 | 610 | 716 | 776 | 69 | 87 | 106 | 120 |
| Public administration and defence[5] | 875 | 1 005 | 1 285 | 1 487 | 270 | 319 | 408 | 518 |
| Education and health services | 1 109 | 1 255 | 1 649 | 1 995 | 382 | 455 | 594 | 694 |
| Other services | 844 | 957 | 1 177 | 1 282 | 188 | 238 | 266 | 296 |
| Adjustment for financial services | −424 | −478 | −579 | −790 | −88 | −102 | −126 | −165 |
| Total | 12 725 | 14 432 | 16 619 | 18 269 | 2 878 | 3 300 | 3 815 | 4 259 |
| | **United Kingdom** | | | | | | | |
| Agriculture, forestry and fishing | 3 620 | 3 905 | 4 380 | 4 901 | | | | |
| Energy and water supply | 10 416 | 13 651 | 18 900 | 22 780 | | | | |
| Continental Shelf | 2 663 | 5 533 | 8 549 | 11 656 | | | | |
| Manufacturing (revised definition) | 43 648 | 47 762 | 52 635 | 53 783 | | | | |
| Minerals, metals and chemicals[3] | 8 238 | 8 812 | 9 602 | 9 603 | | | | |
| Metal goods, engineering and vehicles | 19 272 | 21 065 | 23 260 | 23 186 | | | | |
| Other manufacturing industries | 16 138 | 17 885 | 19 773 | 20 994 | | | | |
| Construction | 9 309 | 10 981 | 12 567 | 12 955 | | | | |
| Distribution, hotels and catering; repairs | 19 556 | 22 982 | 25 445 | 27 574 | | | | |
| Transport and communication | 11 551 | 12 957 | 14 217 | 15 671 | | | | |
| Financial and business services, etc[4] | 15 504 | 19 172 | 23 028 | 25 658 | | | | |
| Ownership of dwellings | 8 605 | 10 402 | 12 221 | 13 599 | | | | |
| Public administration and defence[5] | 9 487 | 10 902 | 13 768 | 15 474 | | | | |
| Education and health services | 11 976 | 13 616 | 17 322 | 19 989 | | | | |
| Other services | 8 976 | 10 389 | 12 042 | 13 303 | | | | |
| Adjustment for financial services | −5 686 | −6 545 | −8 085 | −10 894 | | | | |
| Total | 146 962 | 170 174 | 198 440 | 214 793 | | | | |

[1] Gross domestic product is shown for each industry after deducting stock appreciation.

[2] Estimates for East Anglia in 1979 and 1980 are somewhat less reliable than those for other regions.

[3] Extraction of minerals and ores other than fuels; manufacture of metals, mineral products and chemicals.

[4] Banking, finance, insurance, business services and leasing.

[5] Public administration, national defence and compulsory social security.

## Factor incomes in the gross domestic product

TABLE 3

| | £ million | | | | | |
|---|---|---|---|---|---|---|
| | Income from employment | Income from self-employment | Gross trading profits and surpluses | *Less* Stock appreciation | Rent[1] | Gross domestic product |
| **1978** | | | | | | |
| United Kingdom | 98 437 | 12 969 | 28 918 | 4 223 | 10 861 | 146 962 |
| North | 5 280 | 550 | 1 401 | 242 | 487 | 7 476 |
| Yorkshire and Humberside | 8 279 | 987 | 2 394 | 402 | 737 | 11 994 |
| East Midlands | 6 484 | 818 | 1 603 | 304 | 656 | 9 258 |
| East Anglia | 2 899 | 597 | 830 | 144 | 342 | 4 524 |
| South East | 33 468 | 4 306 | 8 460 | 1 180 | 4 452 | 49 506 |
| South West | 6 834 | 1 228 | 1 672 | 312 | 812 | 10 234 |
| West Midlands | 9 012 | 1 024 | 2 433 | 472 | 951 | 12 947 |
| North West | 11 043 | 1 214 | 3 634 | 501 | 1 124 | 16 514 |
| England | 83 299 | 10 724 | 22 426 | 3 557 | 9 561 | 122 454 |
| Wales | 4 351 | 640 | 1 024 | 188 | 415 | 6 242 |
| Scotland | 8 736 | 1 204 | 2 429 | 398 | 755 | 12 725 |
| Northern Ireland | 2 051 | 401 | 379 | 84 | 131 | 2 878 |
| Continental Shelf[2] | — | — | 2 659 | − 4 | — | 2 663 |
| **1979** | | | | | | |
| United Kingdom | 114 765 | 15 302 | 35 754 | 8 739 | 13 092 | 170 174 |
| North | 6 049 | 649 | 1 673 | 516 | 582 | 8 437 |
| Yorkshire and Humberside | 9 555 | 1 165 | 2 687 | 812 | 873 | 13 468 |
| East Midlands | 7 619 | 965 | 1 864 | 565 | 794 | 10 676 |
| East Anglia | 3 387 | 687 | 950 | 270 | 418 | 5 173 |
| South East | 39 466 | 5 122 | 9 790 | 2 546 | 5 412 | 57 243 |
| South West | 7 976 | 1 511 | 1 999 | 591 | 985 | 11 879 |
| West Midlands | 10 368 | 1 278 | 2 582 | 852 | 1 154 | 14 530 |
| North West | 12 738 | 1 445 | 3 962 | 1 088 | 1 332 | 18 388 |
| England | 97 157 | 12 821 | 25 507 | 7 204 | 11 549 | 139 794 |
| Wales | 5 003 | 750 | 1 393 | 518 | 486 | 7 115 |
| Scotland | 10 188 | 1 293 | 2 825 | 768 | 894 | 14 432 |
| Northern Ireland | 2 416 | 438 | 446 | 162 | 162 | 3 300 |
| Continental Shelf[2] | — | — | 5 583 | 50 | — | 5 533 |
| **1980** | | | | | | |
| United Kingdom | 135 909 | 17 118 | 36 506 | 6 574 | 15 481 | 198 440 |
| North | 7 220 | 717 | 1 538 | 354 | 704 | 9 826 |
| Yorkshire and Humberside | 11 310 | 1 302 | 2 385 | 564 | 1 051 | 15 484 |
| East Midlands | 8 979 | 1 081 | 1 837 | 423 | 917 | 12 390 |
| East Anglia | 4 126 | 768 | 982 | 217 | 490 | 6 149 |
| South East | 46 968 | 5 824 | 9 077 | 1 947 | 6 334 | 66 257 |
| South West | 9 649 | 1 665 | 1 936 | 509 | 1 171 | 13 911 |
| West Midlands | 11 880 | 1 417 | 2 130 | 592 | 1 372 | 16 208 |
| North West | 14 967 | 1 607 | 3 788 | 812 | 1 597 | 21 147 |
| England | 115 101 | 14 381 | 23 673 | 5 418 | 13 636 | 161 372 |
| Wales | 5 895 | 839 | 1 116 | 343 | 579 | 8 085 |
| Scotland | 12 050 | 1 417 | 2 710 | 629 | 1 071 | 16 679 |
| Northern Ireland | 2 863 | 482 | 422 | 147 | 195 | 3 815 |
| Continental Shelf[2] | — | — | 8 585 | 36 | — | 8 549 |
| **1981** | | | | | | |
| United Kingdom | 146 310 | 18 298 | 38 792 | 5 865 | 17 258 | 214 793 |
| North | 7 725 | 782 | 1 649 | 339 | 804 | 10 621 |
| Yorkshire and Humberside | 11 918 | 1 416 | 2 453 | 567 | 1 165 | 16 385 |
| East Midlands | 9 672 | 1 132 | 1 826 | 380 | 1 016 | 13 265 |
| East Anglia | 4 493 | 808 | 957 | 179 | 551 | 6 630 |
| South East | 51 306 | 6 218 | 8 182 | 1 686 | 7 030 | 71 049 |
| South West | 10 474 | 1 745 | 1 929 | 409 | 1 306 | 15 046 |
| West Midlands | 12 314 | 1 485 | 2 078 | 506 | 1 523 | 16 893 |
| North West | 15 896 | 1 717 | 3 445 | 720 | 1 801 | 22 140 |
| England | 123 797 | 15 302 | 22 519 | 4 784 | 15 195 | 172 029 |
| Wales | 6 195 | 893 | 1 169 | 340 | 662 | 8 580 |
| Scotland | 13 223 | 1 556 | 2 842 | 532 | 1 180 | 18 269 |
| Northern Ireland | 3 095 | 546 | 543 | 146 | 221 | 4 259 |
| Continental Shelf[2] | — | — | 11 719 | 63 | — | 11 656 |

[1] Including imputed charges for consumption of non-trading capital.
[2] See Technical notes.

## Total personal income

TABLE 4

| | £ million | | | | £ per head | | | |
|---|---|---|---|---|---|---|---|---|
| | 1978 | 1979 | 1980 | 1981 | 1978 | 1979 | 1980 | 1981 |
| United Kingdom | 143 001 | 169 334 | 200 671 | 219 309 | 2 561 | 3 030 | 3 587 | 3 892 |
| North | 7 494 | 8 692 | 10 378 | 11 408 | 2 418 | 2 816 | 3 367 | 3 660 |
| Yorkshire and Humberside | 11 887 | 13 917 | 16 456 | 17 769 | 2 437 | 2 853 | 3 369 | 3 614 |
| East Midlands | 9 261 | 11 015 | 13 002 | 14 215 | 2 470 | 2 925 | 3 441 | 3 690 |
| East Anglia | 4 470 | 5 334 | 6 451 | 7 056 | 2 425 | 2 863 | 3 430 | 3 720 |
| South East | 48 238 | 57 740 | 68 634 | 75 532 | 2 866 | 3 425 | 4 063 | 4 440 |
| Greater London | 21 213 | 25 228 | 30 013 | 32 792 | 3 066 | 3 669 | 4 382 | 4 820 |
| Rest of South East | 27 025 | 32 512 | 38 621 | 42 740 | 2 726 | 3 258 | 3 845 | 4 188 |
| South West | 10 635 | 12 713 | 15 318 | 16 704 | 2 476 | 2 946 | 3 527 | 3 813 |
| West Midlands | 12 827 | 15 096 | 17 422 | 18 566 | 2 489 | 2 930 | 3 380 | 3 579 |
| North West | 15 905 | 18 645 | 22 033 | 23 951 | 2 448 | 2 879 | 3 416 | 3 708 |
| England | 120 717 | 143 152 | 169 694 | 185 201 | 2 605 | 3 086 | 3 652 | 3 956 |
| Wales | 6 555 | 7 631 | 9 091 | 9 776 | 2 368 | 2 750 | 3 274 | 3 474 |
| Scotland | 12 574 | 14 806 | 17 480 | 19 452 | 2 428 | 2 866 | 3 392 | 3 777 |
| Northern Ireland | 3 155 | 3 745 | 4 406 | 4 880 | 2 050 | 2 427 | 2 848 | 3 120 |

## Personal disposable income[1]

TABLE 5

| | £ million | | | | £ per head | | | |
|---|---|---|---|---|---|---|---|---|
| | 1978 | 1979 | 1980 | 1981 | 1978 | 1979 | 1980 | 1981 |
| United Kingdom | 113 319 | 135 928 | 160 620 | 173 973 | 2 030 | 2 433 | 2 871 | 3 088 |
| North | 5 981 | 7 037 | 8 381 | 9 153 | 1 930 | 2 280 | 2 719 | 2 937 |
| Yorkshire and Humberside | 9 385 | 11 165 | 13 269 | 14 188 | 1 924 | 2 289 | 2 717 | 2 886 |
| East Midlands | 7 442 | 8 996 | 10 530 | 11 418 | 1 985 | 2 389 | 2 787 | 2 964 |
| East Anglia | 3 616 | 4 289 | 5 219 | 5 656 | 1 962 | 2 302 | 2 775 | 2 982 |
| South East | 37 437 | 45 628 | 53 879 | 58 762 | 2 224 | 2 707 | 3 189 | 3 455 |
| Greater London | 16 318 | 19 689 | 23 414 | 25 306 | 2 359 | 2 863 | 3 419 | 3 719 |
| Rest of South East | 21 119 | 25 939 | 30 465 | 33 456 | 2 130 | 2 599 | 3 033 | 3 278 |
| South West | 8 612 | 10 340 | 12 445 | 13 444 | 2 005 | 2 396 | 2 866 | 3 069 |
| West Midlands | 10 083 | 12 079 | 14 079 | 14 834 | 1 956 | 2 345 | 2 732 | 2 860 |
| North West | 12 811 | 15 114 | 17 761 | 19 142 | 1 972 | 2 334 | 2 754 | 2 964 |
| England | 95 367 | 114 648 | 135 563 | 146 597 | 2 058 | 2 471 | 2 918 | 3 131 |
| Wales | 5 356 | 6 321 | 7 429 | 7 907 | 1 935 | 2 278 | 2 675 | 2 810 |
| Scotland | 10 037 | 11 877 | 14 012 | 15 490 | 1 938 | 2 299 | 2 719 | 3 008 |
| Northern Ireland | 2 559 | 3 082 | 3 616 | 3 979 | 1 663 | 1 997 | 2 337 | 2 544 |

[1] Total personal income less United Kingdom taxes on income, national insurance etc. contributions, and transfers abroad (net).

## Consumers' expenditure

TABLE 6

| | £ million | | | | | £ per head |
|---|---|---|---|---|---|---|
| | Food, drink and tobacco | Housing and fuel | Other | Total expenditure in the UK[1] | Total consumers' expenditure[2] | Consumers' expenditure |
| **1978** | | | | | | |
| United Kingdom | 29 274 | 18 381 | 51 369 | 99 024 | 99 596 | 1 784 |
| North | 1 664 | 864 | 2 458 | 4 986 | 5 079 | 1 639 |
| Yorkshire and Humberside | 2 604 | 1 326 | 3 924 | 7 854 | 8 064 | 1 653 |
| East Midlands | 1 920 | 1 149 | 3 064 | 6 133 | 6 270 | 1 672 |
| East Anglia | 905 | 638 | 1 591 | 3 134 | 3 187 | 1 729 |
| South East | 9 062 | 6 786 | 18 996 | 34 844 | 34 014 | 2 021 |
| South West | 2 068 | 1 432 | 3 601 | 7 101 | 7 143 | 1 663 |
| West Midlands | 2 746 | 1 710 | 4 430 | 8 885 | 9 097 | 1 765 |
| North West | 3 311 | 2 008 | 5 374 | 10 693 | 11 007 | 1 694 |
| England | 24 281 | 15 912 | 43 438 | 83 631 | 83 863 | 1 809 |
| Wales | 1 426 | 769 | 2 300 | 4 495 | 4 609 | 1 665 |
| Scotland | 2 863 | 1 298 | 4 427 | 8 588 | 8 732 | 1 686 |
| Northern Ireland | 704 | 403 | 1 204 | 2 311 | 2 393 | 1 555 |
| **1979** | | | | | | |
| United Kingdom | 33 445 | 21 951 | 62 007 | 117 403 | 118 383 | 2 119 |
| North | 1 928 | 1 067 | 3 016 | 6 010 | 6 147 | 1 991 |
| Yorkshire and Humberside | 2 935 | 1 584 | 4 640 | 9 159 | 9 440 | 1 935 |
| East Midlands | 2 194 | 1 320 | 3 888 | 7 402 | 7 571 | 2 010 |
| East Anglia | 1 054 | 754 | 1 943 | 3 751 | 3 822 | 2 051 |
| South East | 10 335 | 8 062 | 22 682 | 41 078 | 40 276 | 2 389 |
| South West | 2 346 | 1 722 | 4 335 | 8 403 | 8 412 | 1 949 |
| West Midlands | 3 118 | 2 081 | 5 368 | 10 568 | 10 810 | 2 098 |
| North West | 3 841 | 2 438 | 6 651 | 12 930 | 13 296 | 2 053 |
| England | 27 751 | 19 028 | 52 522 | 99 300 | 99 774 | 2 151 |
| Wales | 1 672 | 913 | 2 715 | 5 299 | 5 459 | 1 967 |
| Scotland | 3 205 | 1 517 | 5 305 | 10 027 | 10 270 | 1 988 |
| Northern Ireland | 817 | 493 | 1 466 | 2 776 | 2 881 | 1 867 |
| **1980** | | | | | | |
| United Kingdom | 37 836 | 26 658 | 70 567 | 135 061 | 136 890 | 2 447 |
| North | 2 195 | 1 271 | 3 331 | 6 797 | 6 981 | 2 265 |
| Yorkshire and Humberside | 3 291 | 1 874 | 5 202 | 10 367 | 10 738 | 2 199 |
| East Midlands | 2 431 | 1 571 | 4 547 | 8 549 | 8 773 | 2 322 |
| East Anglia | 1 179 | 878 | 2 153 | 4 209 | 4 312 | 2 292 |
| South East | 11 809 | 9 870 | 26 072 | 47 751 | 47 154 | 2 791 |
| South West | 2 698 | 2 181 | 5 197 | 10 076 | 10 129 | 2 332 |
| West Midlands | 3 424 | 2 513 | 6 026 | 11 963 | 12 286 | 2 384 |
| North West | 4 399 | 2 931 | 7 507 | 14 837 | 15 315 | 2 375 |
| England | 31 427 | 23 089 | 60 035 | 114 550 | 115 687 | 2 490 |
| Wales | 1 871 | 1 148 | 3 044 | 6 062 | 6 273 | 2 259 |
| Scotland | 3 555 | 1 809 | 5 891 | 11 254 | 11 594 | 2 250 |
| Northern Ireland | 984 | 612 | 1 598 | 3 194 | 3 336 | 2 156 |
| **1981** | | | | | | |
| United Kingdom | 41 099 | 31 774 | 76 775 | 149 648 | 152 239 | 2 702 |
| North | 2 371 | 1 493 | 3 565 | 7 429 | 7 656 | 2 456 |
| Yorkshire and Humberside | 3 568 | 2 256 | 5 461 | 11 284 | 11 729 | 2 385 |
| East Midlands | 2 658 | 1 886 | 4 898 | 9 442 | 9 714 | 2 522 |
| East Anglia | 1 242 | 1 012 | 2 353 | 4 606 | 4 735 | 2 496 |
| South East | 12 937 | 11 641 | 28 300 | 52 878 | 52 505 | 3 087 |
| South West | 2 992 | 2 738 | 6 060 | 11 790 | 11 886 | 2 713 |
| West Midlands | 3 657 | 2 911 | 6 440 | 13 008 | 13 396 | 2 583 |
| North West | 4 705 | 3 492 | 8 076 | 16 273 | 16 838 | 2 607 |
| England | 34 128 | 27 428 | 65 152 | 126 709 | 128 458 | 2 744 |
| Wales | 2 021 | 1 390 | 3 385 | 6 796 | 7 047 | 2 504 |
| Scotland | 3 851 | 2 218 | 6 536 | 12 605 | 13 025 | 2 529 |
| Northern Ireland | 1 098 | 738 | 1 702 | 3 538 | 3 708 | 2 371 |

[1] Expenditure by UK households and foreign residents in the UK.
[2] Expenditure by UK consumers, including private non-profit-making bodies serving persons and UK households' expenditure abroad, but excluding foreign residents' expenditure in the UK.

## Gross domestic fixed capital formation by selected industry groups

TABLE 7

| | £ million | | | | | |
|---|---|---|---|---|---|---|
| | Agriculture, forestry and fishing | Energy and water supply[1] | Manufacturing (revised definition) | Transport and communication[2] | Dwellings | Total[1,3] |
| **1978** | | | | | | |
| United Kingdom | 923 | 4 264 | 5 611 | 2 561 | 5 270 | 18 629 |
| North | 45 | 273 | 647 | 106 | 263 | 1 334 |
| Yorkshire and Humberside | 86 | 317 | 574 | 186 | 371 | 1 533 |
| East Midlands | 82 | 132 | 385 | 167 | 335 | 1 101 |
| East Anglia | 77 | 31 | 173 | 71 | 205 | 557 |
| South East | 118 | 546 | 1 242 | 979 | 1 881 | 4 765 |
| South West | 101 | 91 | 304 | 168 | 421 | 1 085 |
| West Midlands | 58 | 123 | 597 | 206 | 436 | 1 419 |
| North West | 43 | 187 | 763 | 235 | 479 | 1 706 |
| England | 610 | 1 701 | 4 684 | 2 118 | 4 390 | 13 502 |
| Wales | 68 | 215 | 308 | 106 | 197 | 894 |
| Scotland | 151 | 543 | 521 | 247 | 577 | 2 040 |
| Northern Ireland | 94 | 76 | 98 | 90 | 106 | 464 |
| **1979** | | | | | | |
| United Kingdom | 925 | 4 562 | 6 490 | 3 084 | 5 862 | 20 923 |
| North | 45 | 320 | 594 | 167 | 285 | 1 411 |
| Yorkshire and Humberside | 84 | 411 | 597 | 242 | 404 | 1 738 |
| East Midlands | 84 | 170 | 455 | 181 | 388 | 1 277 |
| East Anglia | 73 | 37 | 206 | 85 | 248 | 650 |
| South East | 124 | 609 | 1 497 | 1 228 | 1 948 | 5 406 |
| South West | 115 | 91 | 364 | 183 | 494 | 1 248 |
| West Midlands | 63 | 145 | 683 | 223 | 511 | 1 625 |
| North West | 45 | 227 | 937 | 262 | 557 | 2 029 |
| England | 634 | 2 011 | 5 335 | 2 571 | 4 835 | 15 384 |
| Wales | 58 | 225 | 443 | 111 | 253 | 1 091 |
| Scotland | 141 | 616 | 560 | 309 | 667 | 2 294 |
| Northern Ireland | 92 | 68 | 153 | 93 | 107 | 513 |
| **1980** | | | | | | |
| United Kingdom | 964 | 5 630 | 6 445 | 3 540 | 6 387 | 22 966 |
| North | 46 | 405 | 488 | 167 | 276 | 1 380 |
| Yorkshire and Humberside | 75 | 654 | 555 | 252 | 435 | 1 971 |
| East Midlands | 87 | 227 | 451 | 177 | 423 | 1 365 |
| East Anglia | 74 | 52 | 195 | 98 | 289 | 708 |
| South East | 135 | 612 | 1 518 | 1 525 | 2 198 | 5 987 |
| South West | 123 | 117 | 354 | 221 | 565 | 1 379 |
| West Midlands | 63 | 178 | 707 | 235 | 540 | 1 724 |
| North West | 44 | 336 | 990 | 306 | 622 | 2 298 |
| England | 647 | 2 581 | 5 255 | 2 981 | 5 347 | 16 813 |
| Wales | 67 | 215 | 386 | 130 | 273 | 1 069 |
| Scotland | 151 | 846 | 645 | 319 | 658 | 2 619 |
| Northern Ireland | 99 | 67 | 160 | 110 | 109 | 545 |
| **1981** | | | | | | |
| United Kingdom | 867 | 6 562 | 5 315 | 3 146 | 5 500 | 21 390 |
| North | 44 | 404 | 346 | 144 | 228 | 1 166 |
| Yorkshire and Humberside | 70 | 728 | 451 | 226 | 375 | 1 850 |
| East Midlands | 83 | 242 | 394 | 166 | 382 | 1 266 |
| East Anglia | 73 | 60 | 163 | 105 | 248 | 649 |
| South East | 107 | 651 | 1 288 | 1 309 | 1 854 | 5 210 |
| South West | 106 | 131 | 322 | 210 | 492 | 1 261 |
| West Midlands | 59 | 159 | 522 | 215 | 447 | 1 403 |
| North West | 34 | 547 | 750 | 261 | 516 | 2 108 |
| England | 576 | 2 923 | 4 237 | 2 636 | 4 542 | 14 912 |
| Wales | 63 | 299 | 365 | 122 | 219 | 1 069 |
| Scotland | 136 | 838 | 586 | 279 | 643 | 2 483 |
| Northern Ireland | 92 | 59 | 128 | 109 | 96 | 484 |

[1] The UK figures include estimates of gross domestic fixed capital formation in the Continental Shelf region.

[2] Excluding shipping.

[3] The totals are of all industries shown, and exclude fixed investment by construction, shipping, distribution, public and private service industries and transfer costs of land and buildings.

# Public expenditure: definitions and trends

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## DEFINITIONS

There is no unique definition of public expenditure. In recent years the term has been applied to the aggregate of expenditure by central and local government and other public bodies covered by the public expenditure White Papers. These White Papers, beginning with *Cmnd 4234* published in December 1969, describe the government's plans for expenditure in the coming three or four financial years. The presentation of these plans is closely related to the way in which control is exercised over the expenditure incurred in the implementation of government policy. This inevitably means that the presentation has changed as policy has developed and at times there have been significant changes in the definition and coverage of expenditure.

Each public expenditure White Paper has included a section giving explanatory and technical notes (eg, *Cmnd 8789*, Volume Two, part 5, p. 124–131.) Inter alia this section of the public expenditure White Paper explains that the definitions are generally based on the concepts of the national income accounts, which are used to describe the economy as a whole. In this way, the role of the public sector in the national economy can be examined and public expenditure planning integrated into the whole budgetary process and the Treasury's economic forecast. Although the national accounts provide the basic conceptual framework for the measurement of public expenditure for control purposes, the definition has been modified over time to reflect changing methods of control. The main differences between the latest definition used for public expenditure and general government expenditure in the national accounts are listed in each White Paper (eg, *Cmnd 8789*, Volume Two, p. 128). *Financial Statistics*, Table 2.4 shows the transition between the two definitions on a quarterly basis.

The definition of public expenditure can change in one of two ways: transactions can be reclassified within a total, or the coverage can be extended or reduced. The changes between a public expenditure White Paper and the previous one are set out in the explanatory and technical notes included in each White Paper (eg, *Cmnd 8789*, Volume Two, p. 129). In White Papers published before January 1977 (*Cmnd 6721*), public expenditure was virtually co-terminous with the expenditure of the public sector in the national accounts, viz:

capital and current expenditure by central and local government

plus

capital expenditure by the public corporations

plus

debt interest paid by government and the public corporations.

Capital expenditure was defined to include net lending. To avoid double counting, central government grants and loans to local authorities and the public corporations were excluded. In January 1977 the coverage of public expenditure for control purposes was changed substantially to:

exclude the capital expenditure of the nationalised industries

and

include central and local government grants and loans to them.

Additionally,

debt interest was measured on a net basis.[1]

A full account of these changes can be found in 'Evidence to the Expenditure Committee' in the *Thirteenth Report from the Expenditure Committee Session 1975–76* (*HC718*). In 1978, a further change was introduced when the market and overseas borrowing (including certain leasing transactions) of the nationalised industries was included as a memorandum item. Such items are presented in the public expenditure White Papers but are not included in any totals given. Over the next few years the majority of the public corporations were given the same treatment as the nationalised industries. In January 1979 a new aggregate – the planning total – was introduced into the public expenditure White Paper. This total included the market and overseas borrowing of public corporations but excluded net debt interest. By March 1981, the planning total had become the only aggregate in the public expenditure White Paper. Annex 1 summarises the major changes made since the White Paper published in January 1977 (*Cmnd 6721*). The diagram below summarises the main changes in the coverage of public expenditure totals.

## TRENDS

### Total public expenditure 1963-64 to 1983-84

Although each public expenditure White Paper includes only five years of historical data, series for total public expenditure can be constructed back to 1963–64 using national accounts sources. Table 1a shows the cash figures for public expenditure measured on two definitions; that used prior to January 1977 (*Cmnd 6721*) and that in the latest White Paper (*Cmnd 8789*). The latter is shown both inclusive and exclusive of the market and overseas borrowing of the public corporations (including nationalised industries) for which figures are only available from 1973–74. Table 1b shows the figures for general (central and local) government expenditure recorded in the national accounts. The differences between general government expenditure and the public expenditure planning total are set out in the explanatory and technical notes to the public expenditure White Paper. The major differences are that the planning total includes:

(i) the capital expenditure of certain public corporations[2] and passenger transport executives;

(ii) the market and overseas borrowing of all other public corporations;

it excludes:

(iii) VAT paid by local authorities but refunded to them;

(iv) an imputed charge for the capital consumption of non-trading general government;

(v) debt interest paid by general government.

(vi) government capital grants and loans to certain public corporations and passenger transport executives.

* The authors would like to acknowledge the advice, contributions and support received from many sources, particularly from the general expenditure divisions within the Treasury.

[1] See Cmnd 8789 Volume Two part 5 paragraph 20.

[2] Certain public corporations are those public corporations detailed in list III Cmnd 8789 Volume Two part 5 p126.

## History of composition of public expenditure totals

| Cmnd No | Date | General government expenditure[1] | Capital expenditure by certain public[2] corporations | Capital expenditure of nationalised industries and other public[3] corporations | Debt interest: Gross | Debt interest: Net | General government finance to nationalised industries and other public[3] corporations | PCMOB[4]: Market and overseas borrowing | PCMOB[4]: Capital value of leased assets and short-term borrowing | Contingency reserve[5] | Special sales of assets | General allowance for shortfall[6,7] | Nomenclature for totals |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 6393 | February 1976 | ● ● | ● ● | ● ● | ● | | | | | ● | | | Total programmes<br>Total |
| 6721 | January 1977 | ● ● | ● ● | | | ● | ● ● | | | ● | | | Total expenditure on programmes<br>Total public expenditure |
| 7049 | January 1978 | ● ● ● | ● ● ● | | | ● | ● ● ● | ● | | ● ● | | | Total expenditure on programmes<br>Total public expenditure<br>Total programmes, contingency reserve and net overseas and market borrowing of nationalised industries |
| 7439 | January 1979 | ● ● ● ● | ● ● ● ● | | | ● | ● ● ● ● | ● ● | | ● ● ● | | ● | Total expenditure on programmes<br>Total public expenditure<br>Planning Total<br>Projected outturn |
| 7841 | March 1980 | ● ● ● | ● ● ● | | | ● | ● ● ● | ● ● | ● ● | ● ● ● | ● ● | ● | Total public expenditure<br>Planning Total<br>Planning Total after shortfall |
| 8175 | March 1981 | ● | ● | | | | ● | ● | ● | ● | ● | ● | Planning Total |
| 8494[7] | March 1982 | ● | ● | | | | ● | ● | ● | ● | ● | ● | Planning Total |
| 8789 | February 1983 | ● | ● | | | | ● | ● | ● | ● | ● | ● | Planning Total |

[1] Excluding general government finance to nationalised industries and other public corporations.
[2] Currently, certain public corporations are those public corporations detailed in list III of Cmnd 8789, Volume Two, part 5, p 126.
[3] Currently, other public corporations are those public corporations detailed in lists I and II of Cmnd 8789, Volume Two, part 5, p 126.
[4] The market and overseas borrowing of nationalised industries and some other public corporations.
[5] The contingency reserve and allowance for shortfall are planning concepts which are absorbed in the measurement of outturn after the year is finished.
[6] The general allowance for shortfall was introduced in *Cmnd 7439*. Prior to that estimates of shortfall for specific purposes were occasionally included.
[7] This public expenditure White Paper introduced cash planning. Previous public expenditure White Papers expressed plans in volume.

General government expenditure, excluding net lending, is most often used as the basis for international comparisons.

The cash figures for public expenditure are usually viewed in the context of general economic trends in two ways:—

(i) converted to cost terms

(ii) expressed as a percentage of the gross domestic product (GDP).

### Cost terms

Public expenditure in cost terms[3] takes account of the effect of general inflation as measured by the GDP deflator and is defined as cash expenditure divided by that deflator[4]. Changes from year to year to the cost terms series show the combined effects of:—

(i) changes in the quantity of goods and services bought, and in the case of transfer payments numbers of beneficiaries and levels of support

(ii) changes in their relative prices: that is, in the extent to which relevant prices have differed from average price movements as measured by the GDP deflator.

The cost terms series, based on prices in 1981–82, for the public expenditure and general government expenditure figures defined above are shown in tables 1a, 1b and Chart 1. Over the period there is a general upward movement; oscillations around the trend in part reflect the economic cycle. Public expenditure on each definition in cost terms reached a peak in the mid 1970s then dipped until 1977 when it picked up again.

[3] See *Statistical News* No. 18 "The Relative Price Effect in Expenditure: its nature and method of calculation" P M Rees and P Thompson.

[4] The GDP deflator is calculated as GDP(E) at market prices divided by GDP(E) at constant prices and indexed to 1981–82 = 100.

### Public Expenditure as a Percentage of GDP

The relative size of public expenditure can also be measured by setting it against the gross domestic product (GDP). In doing so it must be remembered that not all public expenditure is part of GDP; the former includes transfer payments whereas GDP does not. This measure of public expenditure as a percentage of GDP is intended to indicate the proportion of nominal GDP to be financed through government taxation and borrowing. It does not indicate the proportion of GDP spent by the government; that measure is provided by expressing public expenditure on goods and services as a percentage of GDP, and is discussed later in this article. Other components are added to the planning total before it is set against GDP. Public expenditure is measured at market prices but excludes the VAT paid by local authorities and refunded to them. VAT is included in GDP measured at market prices and so is added to the public expenditure planning total when it is measured as a percentage of GDP. An allowance for the consumption of capital assets by non-trading government services is included in GDP and is also added to the planning total when calculating the percentage. Finally, recent public expenditure White Papers have included net debt interest in the numerator of the percentage of public expenditure to GDP,

CHART 1

**Public expenditure in cost terms[1]**

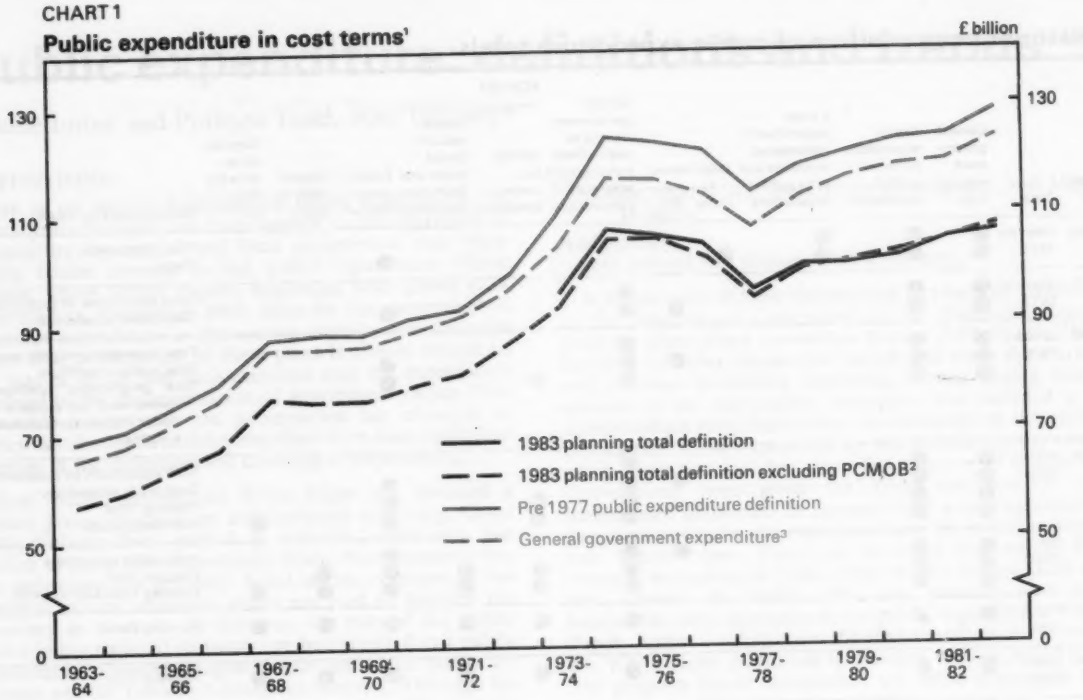
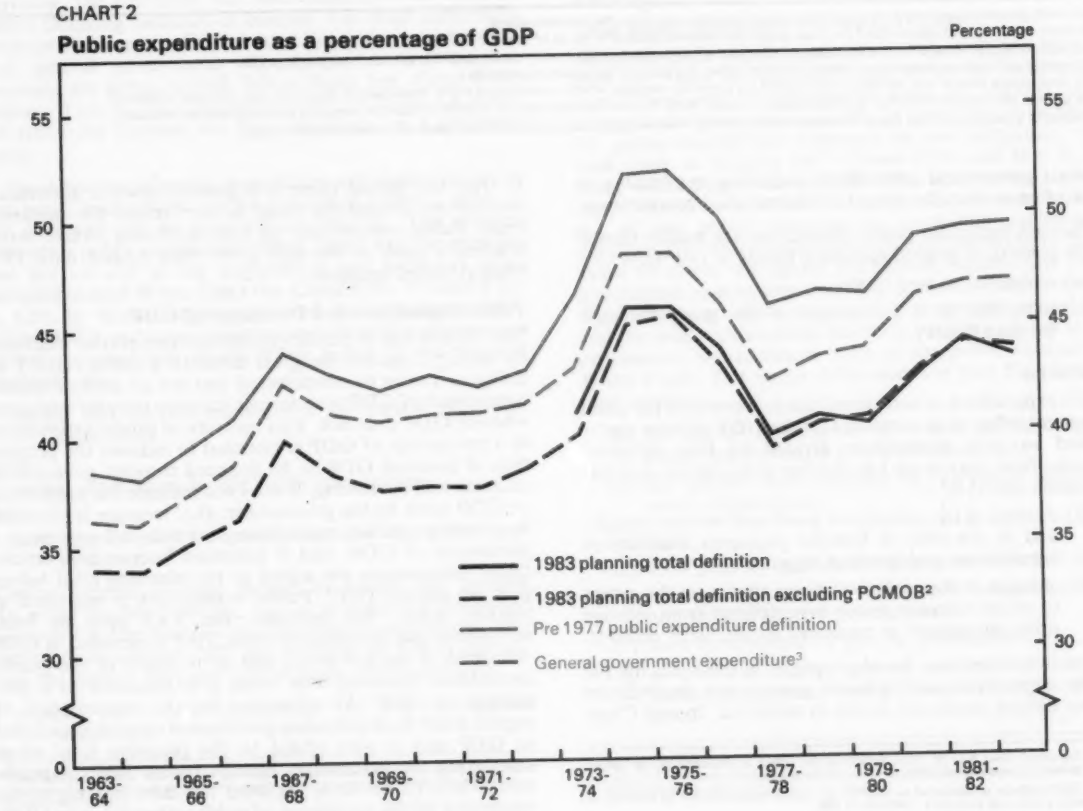



CHART 2

**Public expenditure as a percentage of GDP**




[1] Cash figures deflated using GDP deflator, 1981-82=100
[2] Public corporations' market and overseas borrowing
[3] National accounts source

because such interest is a call on the finances of government. Chart 2 shows that public expenditure as a percentage of GDP follows a similar path to public expenditure in cost terms, peaking in the late sixties and mid seventies.

**Components of Public Expenditure**

It is possible to produce a twenty-year series for trends in the public expenditure planning total from the national accounts sources because major changes in coverage have occurred relatively infrequently and then in a relatively simple way. However, the coverage of specific components of public expenditure changes every year in a way which cannot be tracked easily through the national accounts.

For example, on the introduction of housing benefit in November 1982, historical expenditure on rent rebates was reclassified from central to local government and from housing to social security. But series for different spending authorities, major services and economic categories can be derived by linking the computer files used to record the information for each public expenditure White Paper; that is, by extrapolating the net effect of classification changes in later White Papers to the outturn figures given in earlier White Papers. This gives approximate figures for earlier years on the latest classifications and can be used to identify broad trends by removing the distortions introduced by major classification changes. This kind of analysis is not only relatively time-consuming and expensive but also cannot be taken back over a long period because the errors of estimation become too significant. The analyses given in the rest of this paper are based on the historical figures covered by the White Papers published between January 1979 and January 1983 brought onto the classifications used in the latest of the series (*Cmnd 8789*).

**Spending authorities**

Chart 3 shows the relative proportions of expenditure by central and local government included in the public expenditure planning total over the pericd 1973–74 to 1982–83. As a proportion of the general government expenditure included in the planning total, central government expenditure increased from 68 per cent in 1973–74 to 75 per cent in 1982–83. Local government capital expenditure fell from 12 to 3 per cent. To a certain extent this reflects the effect of the sale of council houses, which scores negatively. These sales rose from around £0.1 billion in 1973–74 to £2.1 billion in 1982–83. The different rates of growth of central government and local government expenditure reflect the different functions that they perform. Central government has responsibility for social security which has risen in recent years as the result of the recession and for national services such as defence on which there have been specific commitments to growth.

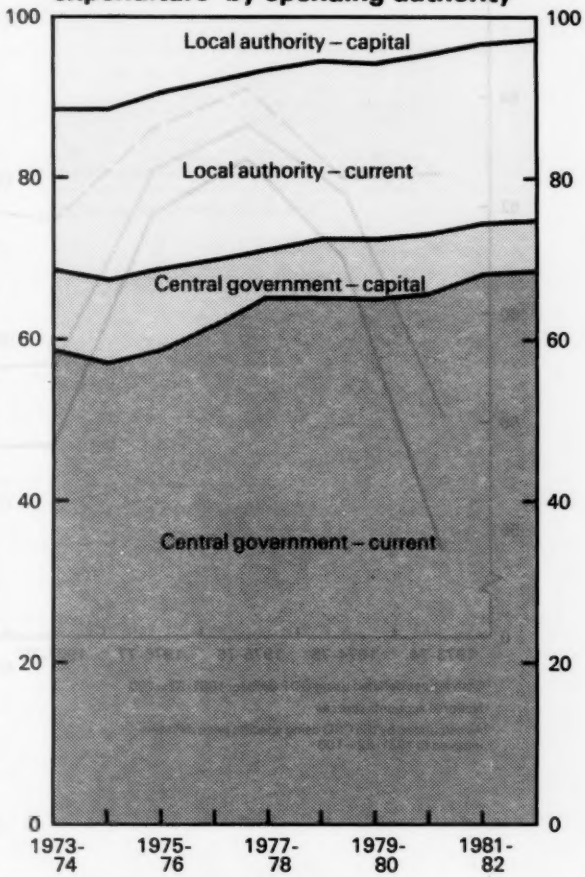
**Economic category**

There are two main forms of public expenditure – direct expenditure on goods and services and transfer payments (including net lending as well as grants) to other sectors of the economy. As mentioned above, only the former is part of the expenditure measure of GDP. Table 2 compares the goods and services element of the public expenditure planning total with general government expenditure on goods and services included in the national accounts. The table shows cash, cost terms and the proportion of GDP[5] on both definitions.

Both public expenditure and general government expenditure on goods and services account for about one quarter

CHART 3

**Percentage of general government expenditure[1] by spending authority**




[1] General government expenditure as measured in the Public Expenditure Survey

of GDP. Both reached a peak of around 27 per cent in 1975–76 and fell to around 23 per cent in 1978–79 and 1979–80.

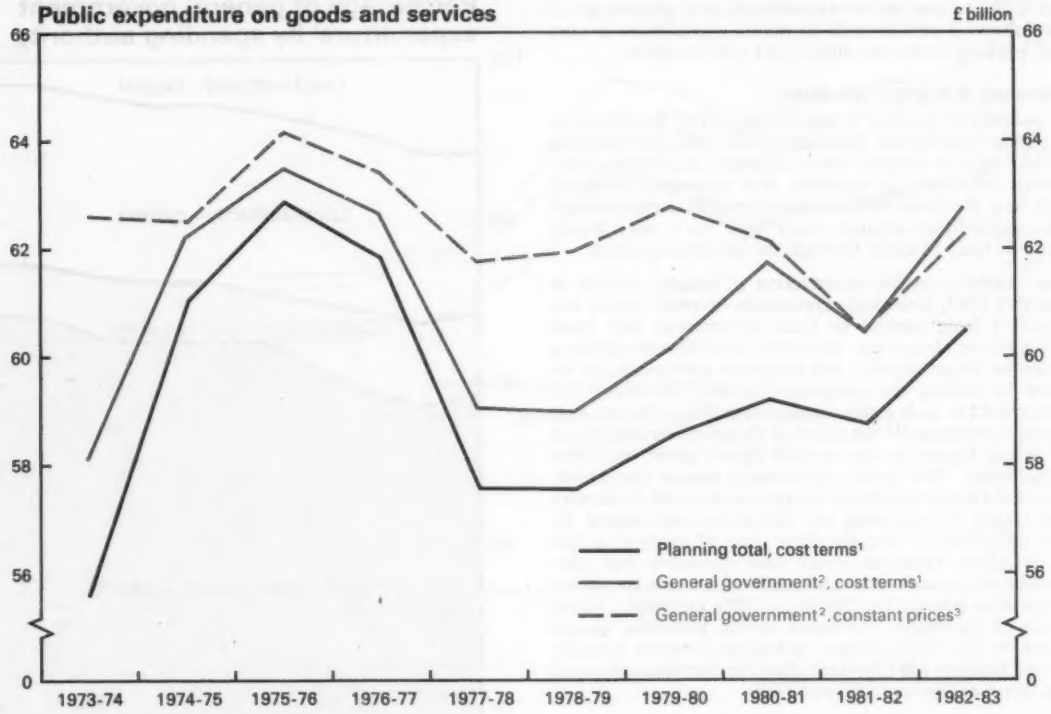
Table 2 additionally shows the figures for general government expenditure included in the constant price definition of GDP. These figures are calculated by the Central Statistical Office as the cash sum adjusted for price changes in the specific goods and services concerned. Chart 4 compares the two constant prices series for general government expenditure on goods and services with that for the goods and services component of public expenditure. General Government expenditure on goods and services deflated by specific deflators is smoother than either cost terms series. This is because the specific deflators takes account of the exact incidence of such factors as public sector pay awards which cause steps in the cash figures. Such pay awards are averaged out with those in the private sector in the construction of the GDP deflator.

Chart 5 shows the relative economic composition of the planning total over the period 1973–74 to 1982–83. Current expenditure increased from 77 per cent of the expenditure on programmes in the planning total in 1973–74 to 90 per

[5] Local authority VAT and general government capital consumption have been included in the numerator for the goods and services element of the public expenditure planning total as a percentage of GDP.

CHART 4

**Public expenditure on goods and services**




[1] Cash figures deflated using GDP deflator 1981-82=100

[2] National accounts sources

[3] As calculated by the CSO using specific price deflators indexed to 1981-82=100

cent in 1982–83. Current transfer payments – largely social security – accounted for over half of the increase over the same period. The fall in capital expenditure from 23 to 10 per cent was greater on fixed assets which fell from 14 per cent to 5 per cent than on capital grants and net lending which fell from 9 to 5 per cent of the expenditure on programmes in the planning total between 1973–74 to 1982–83. As mentioned above, the trend in local government capital expenditure has been markedly affected by the sale of council houses.[6]

**Functional Analysis**

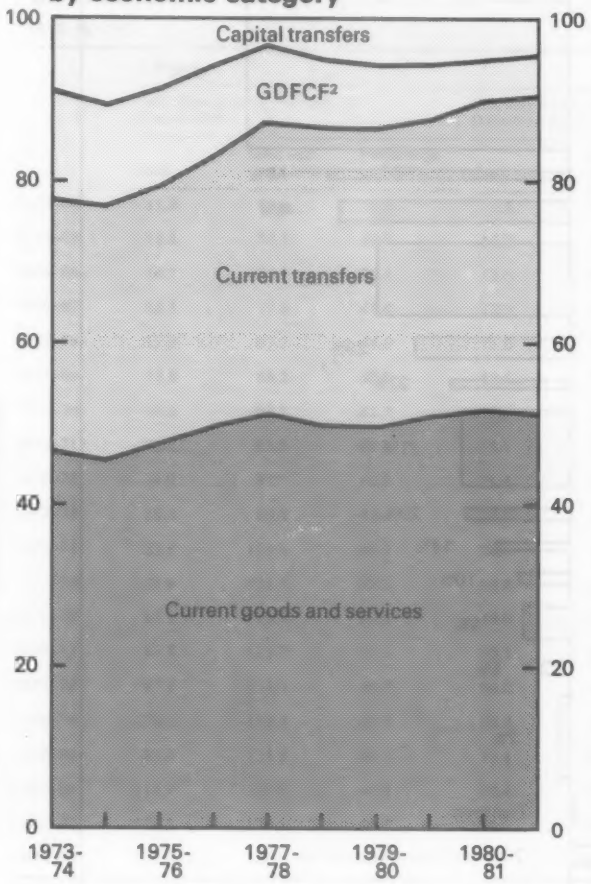
Table 3 shows the percentage of the planning total accounted for by each functional programme in each of the years 1973–74 to 1982–83. The trend between 1973–74 and 1982–83 has varied for different programmes reflecting a mixture of different government priorities and economic conditions. Some programmes, such as social security and housing respectively, show a generally rising or falling trend, others, eg agriculture, oscillate around a fairly flat trend.

Chart 6 shows the overall annual percentage change in cost terms between 1973–74 and 1982–83 for each functional programme included in the latest public expenditure White Paper (*Cmnd 8789*). There is a marked contrast between the functional programmes. This chart shows the change over the ten-year period as a whole and is not necessarily an indication of trend, particularly on such programmes as net lending to nationalised industries which tend to vary considerably with no observable trend. Trends in individual programmes reflect a mixture of influences, for example, earlier investment in social capital such as schools has reduced the need for such expenditure. In other cases there is a trend towards privatisation, for example, the sale of council houses which reduces net expenditure. Aid to industry is now often reflected in tax rather than expenditure policies, whereas the economic recession has increased the demand for social security.

[6] For some purposes the planning total does not provide a suitable framework for analysing public sector capital spending trends. A full account of recent trends was given in Economic Progress Report No. 152 published in December 1982.

CHART 5

**Percentage of expenditure[1] by economic category**




[1] Expenditure refers to the planning total excluding special sales of assets and the market and overseas borrowing of nationalised industries and some other public corporations
[2] Gross domestic fixed capital formation

**Summary**

The available data show that:—

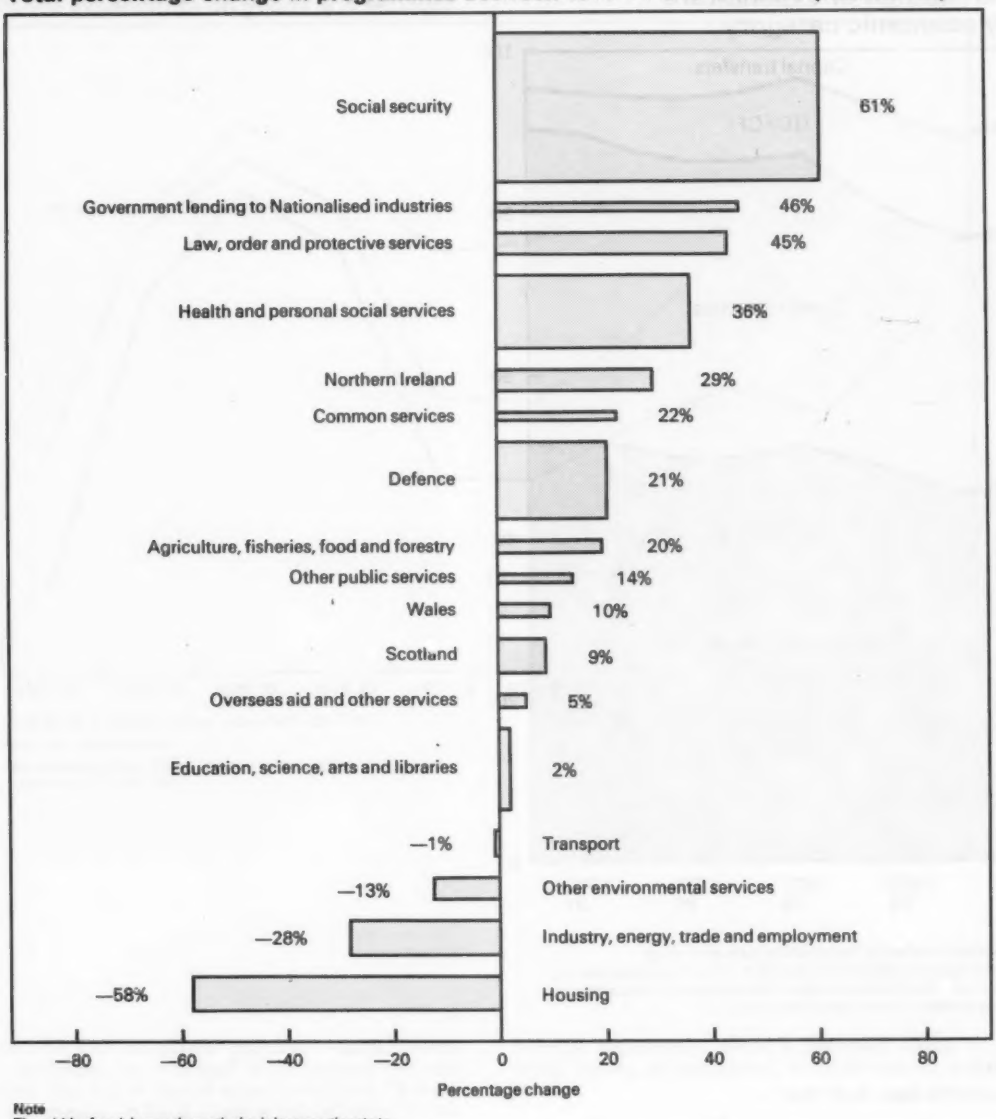
(*a*) Broad trends over a long period are not significantly affected by the definition of public expenditure adopted.

(*b*) Apart from the oscillations following the oil crisis in the mid seventies public expenditure, both in constant prices and as a percentage of GDP, has risen fairly steadily since 1963–64.

(*c*) Public expenditure on goods and services, both in constant prices and as a percentage of GDP, has been relatively stable in the last ten years.

CHART 6

**Total percentage change in programmes between 1973-74 and 1982-83 (cost terms)**




Note
The width of each bar on the vertical axis is proportionate to expenditure on the programme concerned over the period

# APPENDIX

## Public expenditure 1963-64 to 1982-83

TABLE 1a

£ billion

| | Definition prior to February 1977 *(Cmnd 6721)* | | | February 1983 *(Cmnd 8789)* Definition excluding PCMOB[4] | | | February 1983 *(Cmnd 8789)* Definition | | |
|---|---|---|---|---|---|---|---|---|---|
| | Cash | 1981–82 cost terms[1] | Percentage of GDP[2] | Cash | 1981–82 cost terms[1] | Percentage of GDP[3] | Cash | 1981–82 cost terms[1] | Percentage of GDP[3] |
| 1963–64 | 11.9 | 68.5 | *38.5* | 9.9 | 57.1 | *34.0* | | | |
| 1964–65 | 12.8 | 70.7 | *38.1* | 10.8 | 59.6 | *33.9* | | | |
| 1965–66 | 14.2 | 74.9 | *39.5* | 12.0 | 63.4 | *35.1* | | | |
| 1966–67 | 15.7 | 79.3 | *41.0* | 13.3 | 67.3 | *36.3* | | | |
| 1967–68 | 17.9 | 87.7 | *44.0* | 15.5 | 76.3 | *39.9* | | | |
| 1968–69 | 18.8 | 88.2 | *42.9* | 16.1 | 75.6 | *38.2* | | | |
| 1969–70 | 19.8 | 86.1 | *42.1* | 17.0 | 75.8 | *37.5* | | | |
| 1970–71 | 22.2 | 91.5 | *42.8* | 19.1 | 78.4 | *37.7* | | | |
| 1971–72 | 24.6 | 92.7 | *42.2* | 21.4 | 80.7 | *37.6* | | | |
| 1972–73 | 28.3 | 98.4 | *43.0* | 24.8 | 86.4 | *38.5* | | | |
| 1973–74 | 33.8 | 109.8 | *46.2* | 28.6 | 92.7 | *39.9* | 29.3 | 95.0 | *40.9* |
| 1974–75 | 45.6 | 124.1 | *52.0* | 38.6 | 105.1 | *45.0* | 39.3 | 107.0 | *45.8* |
| 1975–76 | 57.1 | 123.7 | *52.1* | 48.5 | 105.1 | *45.4* | 48.9 | 106.0 | *45.8* |
| 1976–77 | 63.7 | 122.0 | *49.9* | 53.2 | 101.9 | *43.0* | 54.4 | 104.1 | *43.9* |
| 1977–78 | 67.7 | 114.0 | *45.8* | 56.0 | 94.2 | *39.3* | 56.8 | 95.6 | *39.8* |
| 1978–79 | 78.2 | 119.2 | *46.5* | 65.3 | 99.6 | *40.4* | 65.8 | 100.2 | *40.7* |
| 1979–80 | 93.0 | 121.3 | *46.3* | 77.4 | 101.0 | *40.6* | 76.9 | 100.4 | *40.3* |
| 1980–81 | 112.7 | 123.9 | *49.0* | 93.4 | 102.6 | *42.9* | 92.8 | 102.0 | *42.6* |
| 1981–82 | 124.1 | 124.1 | *49.4* | 104.4 | 104.4 | *44.1* | 104.7 | 104.7 | *44.2* |
| 1982–83 | 137.4 | 128.9 | *49.5* | 114.7 | 107.5 | *43.8* | 113.4 | 106.4 | *43.4* |

[1] Cash deflated using GDP deflator, base year 1981–82 = 100.
[2] Defined as total public expenditure plus general government consumption of non-trading capital divided by GDP (expenditure estimate) at market prices The definition of total public expenditure prior to Cmnd 6721 included payments of VAT by local authorities and gross debt interest.
[3] Defined as the planning total plus general government consumption of non-trading capital plus payments of VAT by local authorities plus net debt interest divided by GDP (expenditure estimate) at market prices.
[4] Public corporations market and overseas borrowing.

## General government expenditure

TABLE 1b

| | £ billion | | |
|---|---|---|---|
| | Cash | 1981–82 cost terms[1] | As percentage of GDP |
| 1963–64 | 11.3 | 65.3 | *36.2* |
| 1964–65 | 12.2 | 67.6 | *36.0* |
| 1965–66 | 13.6 | 71.7 | *37.4* |
| 1966–67 | 15.1 | 76.0 | *38.8* |
| 1967–68 | 17.4 | 85.7 | *42.5* |
| 1968–69 | 18.2 | 85.4 | *41.0* |
| 1969–70 | 19.3 | 86.0 | *40.6* |
| 1970–71 | 21.6 | 88.8 | *41.0* |
| 1971–72 | 24.3 | 91.5 | *41.0* |
| 1972–73 | 27.6 | 96.1 | *41.4* |
| 1973–74 | 32.0 | 103.8 | *43.0* |
| 1974–75 | 42.8 | 116.7 | *48.3* |
| 1975–76 | 53.7 | 116.4 | *48.3* |
| 1976–77 | 59.5 | 113.8 | *45.9* |
| 1977–78 | 63.6 | 107.1 | *42.3* |
| 1978–79 | 74.4 | 113.4 | *43.5* |
| 1979–80 | 89.5 | 116.7 | *43.8* |
| 1980–81 | 108.0 | 118.7 | *46.2* |
| 1981–82 | 119.5 | 119.5 | *46.8* |
| 1982–83 | 132.1 | 123.9 | *46.9* |

[1] Cash deflated using GDP deflator, base year 1981–82 = 100.

## Public expenditure on goods and services

TABLE 2

| | £ billion | | | | | | |
|---|---|---|---|---|---|---|---|
| | Goods and services included in the public expenditure planning total | | | General government expenditure on goods and services in the national accounts | | | |
| | Cash | 1981–82 cost terms[1] | Percentage of GDP | Cash | 1981–82 cost terms[1] | Volume[2] | Percentage of GDP |
| 1973–74 | 17.1 | 55.6 | *23.7* | 17.9 | 58.1 | 62.6 | *24.1* |
| 1974–75 | 22.4 | 61.1 | *26.0* | 22.8 | 62.2 | 62.5 | *25.7* |
| 1975–76 | 29.0 | 62.9 | *26.8* | 29.3 | 63.5 | 64.1 | *26.3* |
| 1976–77 | 32.3 | 61.8 | *25.6* | 32.7 | 62.6 | 63.4 | *25.2* |
| 1977–78 | 34.2 | 57.6 | *23.5* | 35.1 | 59.0 | 61.7 | *23.3* |
| 1978–79 | 37.8 | 57.5 | *22.8* | 38.7 | 59.0 | 61.9 | *22.6* |
| 1979–80 | 44.9 | 58.5 | *22.7* | 46.1 | 60.1 | 62.8 | *22.6* |
| 1980–81 | 53.9 | 59.2 | *23.8* | 56.2 | 61.7 | 62.2 | *24.0* |
| 1981–82 | 58.8 | 58.8 | *23.8* | 60.4 | 60.4 | 60.4 | *23.7* |
| 1982–83 | 64.5 | 60.5 | *23.7* | 66.9 | 62.7 | 62.2 | *23.8* |

[1] Cash deflated using GDP deflator, base year 1981–82 = 100.
[2] Cash deflated using the general government deflator, base year 1981–82 = 100.

## Functional analysis of public expenditure

TABLE 3

| | Programme as percentage of planning total | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1973–74 | 1974–75 | 1975–76 | 1976–77 | 1977–78 | 1978–79 | 1979–80 | 1980–81 | 1981–82 | 1982–83 |
| Defence | 12 | 11 | 11 | 11 | 12 | 11 | 12 | 12 | 12 | 13 |
| Overseas aid and other services | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 2 | 2 | 2 |
| Agriculture, fisheries, food and forestry | 2 | 3 | 3 | 2 | 2 | 1 | 1 | 1 | 1 | 2 |
| Industry, energy, trade and employment | 8 | 7 | 6 | 6 | 4 | 5 | 4 | 4 | 5 | 5 |
| Transport | 4 | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Housing | 6 | 8 | 7 | 7 | 6 | 5 | 6 | 5 | 3 | 2 |
| Other environmental services | 4 | 4 | 4 | 4 | 3 | 3 | 4 | 3 | 3 | 3 |
| Law, order and protective services | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 |
| Education, science, arts and libraries | 13 | 12 | 13 | 13 | 13 | 12 | 12 | 12 | 12 | 12 |
| Health and personal social services | 10 | 10 | 11 | 11 | 12 | 11 | 12 | 12 | 12 | 12 |
| Social security | 20 | 19 | 20 | 21 | 25 | 25 | 25 | 25 | 27 | 29 |
| Other public services | 1 | 1 | 2 | 2 | 2 | 1 | 2 | 2 | 1 | 1 |
| Common services | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Scotland | 6 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 5 |
| Wales | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Northern Ireland | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Government lending to nationalised industries | 1 | 2 | 2 | 1 | 0 | 1 | 3 | 2 | 1 | 1 |
| **Adjustments** | | | | | | | | | | |
| Public corporations' net overseas and market borrowing | 2 | 2 | 1 | 2 | 1 | 1 | −1 | −1 | 0 | −1 |
| Special sales of assets | 0 | 0 | 0 | 0 | −1 | 0 | −1 | 0 | 0 | 0 |
| **Planning Total** | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

# ANNEX 1

**Main classification changes between February 1977 (*Cmnd 6721*) and February 1983 (*Cmnd 8789*)**

**Changes between February 1977 (*Cmnd 6721*) and January 1978 (*Cmnd 7049*)**

**Changes in the scope of public expenditure**

(*a*) For the first time *Cmnd 7049* included specific figures for the interest support costs of the export and shipbuilding fixed rate credit schemes. This cost comprised (1) the amount payable by government to the banks on their lending (net of the lending refinanced by government) to make up the difference between the fixed rates paid by the borrowers and the current market rate, and (2) the difference between the cost to government of borrowing to refinance credit given by the banks and the fixed rate interest receivable on this credit. The interest costs were included as subsidies. The estimate of debt interest receipts used in arriving at net debt interest had in the past been reduced by the amount of interest support costs payable to the banks, and the interest receipts on refinanced credits were included at the fixed rate only, so the whole of the support cost was in effect included in net debt interest payments. When the support costs were recorded specifically, interest receipts were recorded at market rates, so that the net basis debt interest figures were reduced by the amount of the total support costs.

(*b*) Revenue from fees and fines in magistrates' and Scottish courts were taken into account and treated as an offset to public expenditure under law, order and protective services.

(*c*) Certain expenditure by local authorities in Northern Ireland was included in the measurement of public expenditure.

**Transfers between programmes**

(*a*) Sewerage charges on defence establishments were transferred from common services to defence.

(*b*) Certain expenditure on accommodation services provided to employment, etc, services was transferred from common services to trade, industry and employment.

(*c*) The allocations of expenditure between the Department of the Environment and the Department of Transport on setting up the latter were reassessed and a further transfer made from other environmental services to roads and transport.

**Changes between January 1978 (*Cmnd 7049*) and January 1979 (*Cmnd 7439*)**

**Changes in the scope of public expenditure**

(*a*) In the defence programme, the national accounts adjustments shown separately in previous White Papers became included in the Defence Budget.

(*b*) In the overseas aid and other overseas services programme, the recovery of initial excess payments to the 1978 and 1979 European Community budgets was treated on a cash and not an accruals basis.

(*c*) Previously the Forestry Commission was required to show in the notes to its accounts a notional forestry subsidy defined as the difference between the 3 per cent rate of interest charged in the accounts on its capital (which at that time was revalued quinquennially) and the charge which would have arisen if interest had been charged at the current Treasury rates. The subsidy formed part of public expenditure. With effect from the start of the financial year 1977–78 the Commission's capital became approximately revalued each year, and revalued in detail every five years, and a 3 per cent (real) return became required on the revalued capital. The notional forestry subsidy, then redefined as the difference between the Commission's 3 per cent interest charge and a charge corresponding to the required rate of return for public sector trading (then 5 per cent in real terms) was still shown in the notes to the Commission's accounts. However, this was not treated as a subsidy in the national income accounts, and became excluded from public expenditure as defined in *Cmnd 7439*. The effect of this change was to reduce the subsidies to the agriculture, fisheries, food and forestry programme by varying amounts up to nearly £30 million.

(*d*) The three government trading funds were classified (for planning and statistical purposes) as public corporations and not as central government.

(*e*) In the trade, industry, energy and employment programme, an apparent reduction in expenditure on land purchase and factory building in the assisted areas reflected a change in the treatment of notional charges for interest on capital.

(*f*) The figures for expenditure on the community ownership of development land in the other environmental services programme no longer included interest on loans to finance the scheme. This became included in the figures for debt interest.

**Transfers between spending authorities and economic categories**

(*a*) Capital expenditure on roads in new towns, previously classified as local authority expenditure, became classified as expenditure by New Town Development Corporations.

(*b*) Expenditure by Passenger Transport Executives on certain rail schemes, previously classified as capital contributions to British Rail, became classified as fixed capital formation by the Passenger Transport Executives.

(*c*) Expenditure on the salaries of teachers on induction and in-service training courses, previously classified as student support (current grants to persons) in higher and further education, became classified as teachers' salaries within primary and secondary schools' current expenditure.

**Transfers between programmes**

(*a*) Local authority spending on consumer protection was transferred from other environmental services to trade, industry, energy and employment.

(*b*) Responsibility for research into radioactive waste management was transferred from trade, industry, energy and employment to other environmental services.

(*c*) The rate rebate and rent allowance element of supplementary benefit expenditure in Scotland was no longer reclaimed by the Department of Health and Social Security from Scottish local authorities. This resulted in a transfer of expenditure from housing to social security.

(*d*) VAT payments imputed to local authority expenditure, previously allocated to various programmes, became included in other environmental services.

(*e*) Expenditure on structural adaptations to public sector housing for the disabled was transferred from health and personal social services to housing.

**Changes between January 1979 (*Cmnd 7439*) and March 1980 (*Cmnd 7841*)**

**Changes in the scope of public expenditure and the planning total**

(*a*) *Family benefits*. The change from child tax allowances and family allowances (including child interim benefit payable during 1976–77) to child benefit was spread over a period of years. During the transitional period the total for the social security programme included only the net Exchequer cost of the change; this treatment was reflected in public expenditure totals. The gross cost of child benefit was shown in the main table for the social security programme together with tax revenue flowing from reductions in child tax allowances. Now that the transition to child benefit had been completed by the general withdrawal of child tax allowances, the social security programme and public expenditure totals included the gross cost of child benefit (up to 1976–77 family allowance including child interim benefit).

(*b*) The definition of the net overseas and market borrowing of nationalised industries was broadened to include short-term borrowing and the capital value of leased assets. Net short-term borrowing was defined to include the industries' transactions in other public sector debt. The definition of the industries' external financial requirement used in the public expenditure planning total (including borrowing and grants) was thus now aligned with that used for their external financing limits.

(*c*) Certain local authority capital expenditure on administration, corporation estates and miscellaneous local services was taken into account for the first time.

**Changes in spending authority and economic category**

(*a*) The operating costs of industrial training boards, previously classified as grants to private bodies, became treated as current expenditure on goods and services.

(*b*) The Crown Agents Act 1979 established two new incorporated bodies – the Crown Agents and the Crown Agents Holding and Realisation Board. Special assistance to the former Crown Agents became included in the overseas aid and other overseas services programme. Financing transactions between the government and the new bodies were also included in this programme.

**Transfers between programmes:**

(*a*) Expenditure on computer requirements supplied to central government departments by the Central Computer Agency and formerly included in the common services programme was distributed to the appropriate functional programmes, reflecting the change to provision against repayment by the user department from 1 April 1980. The other programmes principally affected were defence; industry, energy, trade and employment; roads and transport; other environmental services; law, order and protective services; health and personal social services; and other public services.

(*b*) To improve functional control it was decided to confine the programme for Northern Ireland to expenditure within the responsibility of the Secretary of State for Northern Ireland. Thus expenditure by the Ministry of Agriculture in that area was classified to agriculture, fisheries, food and forestry; and expenditure on the court service to law, order and protective services.

(*c*) Some expenditure by the Central Office of Information on the overseas information services, previously recorded under overseas aid and other overseas services, was classified to common services.

**Changes between March 1980 (*Cmnd 7841*) and March 1981 (*Cmnd 8175*)**

**Changes in the scope of public expenditure and the planning total**

(*a*) The definition of local authority capital expenditure was revised to include:—

(i) the freehold value of property leased for a period of more than 20 years; and the freehold value of any lease over one year where a permanent building was erected at the request of the authority (eg, sale/leaseback or lease/leaseback schemes);

(ii) the capital value of vehicles leased for more than one year; and

(iii) the capital value of plant and machinery acquired by finance leases, ie, for this purpose those where the lease term covered the major part of the anticipated useful life and where the lessee accepted responsibility for maintenance.

The lease payments on such assets were no longer scored as current expenditure. This change was implicit in the planned figures for 1981–82 to 1983–84, but could not be incorporated into the historical figure until the next White Paper because of lack of information.

(*b*) The definition of the Forestry Commission was changed so that it reflected more closely estimated cash requirements. Government finance to the Forestry Enterprise was now included instead of the capital expenditure by the Forestry Enterprise. The 3 per cent notional interest charge was dropped from the definition of public expenditure.

**Transfers between spending authority and economic category**

(*a*) The two roles of the Forestry Commission, namely, the Forestry Authority and the Forestry Enterprise, were presented separately. The Forestry Authority was concerned with the administration of Government policy on forestry (including the payment of grants

to the private sector) and the Forestry Enterprise (a Government trading service) with the development, management and exploitation of the forestry and other assets owned by or placed at the disposal of the Commission.

(*b*) Her Majesty's Stationery Office (HMSO) became a government trading fund. Expenditure programmes included departments' payments to HMSO with the exception of supplies to Parliament which remained on an allied service basis. The other public services programme included Government lending to HMSO and its expenditure on supplies to Parliament, etc.

(*c*) Consequential on the change between programmes of some rent rebates and rent allowance, the corresponding expenditure was classified to central government rather than to local authorities.

(*d*) Some transport spending by local authorities on depots, vehicles, plant and machinery previously shown as maintenance (current expenditure) was classified as capital spending on roads.

**Transfers between programmes:**

(*a*) Rent rebates and rent allowances paid to recipients of supplementary benefits and supplementary pensions became included in the social security programme and were excluded from the housing programme.

(*b*) A variety of transfers occurred between programmes in order to bring the functional classification into closer correspondence with departmental responsibilities.

(*c*) Programmes were created for expenditure within the responsibility of the Secretaries of State for Scotland and for Wales.

**Changes between March 1981 (*Cmnd 8175*) and March 1982 (*Cmnd 8494*)**

**Changes in the scope of public expenditure and the planning total**

(*a*) Local authorities are refunded the VAT payments they have made in the course of providing non-trading services. Expenditure on such services became measured net of VAT payments. Previously an allowance for VAT had been added (most recently as a single sum in the other environmental services programme) to public expenditure. This adjustment was removed.

(*b*) The figures for local authority capital expenditure now included provision for expenditure financed by such bodies as the Sports Council and the Welsh Development Agency.

(*c*) The expenditure incurred on the administration of the National Savings Bank ordinary account was included in this White Paper as expenditure on goods and services. In previous White Papers this expenditure had been treated as in the national income accounts as a trading expense met by the income from investments held by the National Debt Commissioners.

(*d*) Local authority expenditure on school milk, financed by the European Communities was included for the first time in this White Paper in the agriculture, fisheries, food and forestry programme.

(*e*) Net capital expenditure financed by the Commonwealth Development Corporation from its own resources (including commercial borrowing) was included and shown separately. Through an oversight, this information had not been included in preceding public expenditure White Papers. The numbers were relatively small and the public expenditure planning totals were not affected.

(*f*) Since the 1980 Housing Act local authorities were allowed to make a surplus on their Housing Revenue Account. The plans in *Cmnd 8175* assumed that such surpluses would partially offset local authority rate fund contributions to the housing revenue account within the housing programme. In *Cmnd 8494* only the gross central government and local authority subsidies to the Housing Revenue Account were shown.

(*g*) The planning total now included the market and overseas borrowing of the public corporations shown in List I of *Cmnd 8494*, Volume Two, part 5, p 105.

(*h*) Capital expenditure on transport construction schemes now included interest capitalised up to the date on which the asset came into use.

(*i*) Interest receipts on the balances of police authorities were no longer subtracted from current expenditure on law and order.

(*j*) The rents from certain property managed by the Property Services Agency were deducted from current expenditure in the common services programme.

**Transfers between spending authority and economic category**

(*a*) Expenditure by local authorities on the construction of roads due to become part of the trunk road network was reclassified as spending by central government rather than by local government.

(*b*) As a result of the implementation of Part VIII of the Local Government Planning and Land Act 1980, certain administrative expenditure by local authorities was reclassified from current expenditure to capital expenditure on roads.

**Transfers between functional programmes**

(*a*) Under the new scheme for unifying housing benefits, responsibility for housing benefit lay with the Department of Health and Social Security. In anticipation of the introduction of the scheme (which would absorb rent rebates and allowances) all provision for the payment of rent rebates and allowances became shown in the social security programme.

(*b*) Expenditure on court building under the responsibility of the Secretary of State for Scotland was transferred from the law, order and protective services programme to the programme for expenditure under the responsibility of the Secretary of State for Scotland.

**Changes between March 1982 (*Cmnd 8494*) and February 1983 (*Cmnd 8789*)**

**Changes in the scope of public expenditure and the planning total**

(*a*) The full cost of land drainage precepts in Wales was included for the first time.

(*b*) The income from fees and fines in district courts in Scotland was treated as negative expenditure for the first time.

**Transfers between spending authority and economic category**

(*a*) Water Authorities and the Commonwealth Development Corporation were reclassified from list III to list I: public corporations[1]. Consequent upon this, their capital expenditure was no longer included as public expenditure by these corporations. Net lending to the Water Authorities became included in the other environmental services programme and the programme for expenditure under the responsibility of the Secretary of State for Wales whilst central government grants to Water Authorities and the Commonwealth Development Corporation became included in the agriculture, fisheries, food and forestry programme, the other environmental services programme, and the programme for expenditure under the Secretary of State for Wales. The market and overseas borrowing and leasing transactions of both Water Authorities and the Commonwealth Development Corporation were included in the total for public corporations' net overseas and market borrowing.

(*b*) The Crown Agents and Crown Agents Holding and Realisation Board were transferred from list II to list I: public corporations[1] because their market and overseas borrowing had become included in the planning total.

(*c*) The Ordnance Survey was now shown as a central government trading body included in list I: public corporations[1]. Consequent upon this, the cost of running the Ordnance Survey was no longer included in the other public services programme but was met from revenue arising from trading with government departments and others, and from payments included in other environment services for activities essential in the national interest which are not commercially self-supporting.

(*d*) Following a Rayner scrutiny in 1981, government departments changed to using public postal methods. The repayments to departments by the Post Office, previously treated as refunds of expenditure on goods and services, were reclassified as financial transactions.

(*e*) Expenditure by central government on major structural works on motorways and trunk roads was reclassified from maintenance – current expenditure on goods and services to capital expenditure – gross domestic fixed capital formation.

(*f*) Following the introduction of the new scheme for deducting mortgage interest relief at source, expenditure under the option mortgage scheme over the period 1977–78 to 1982–83 was reclassified from the housing programme to the other public services programme where expenditure under the new scheme was recorded for the period 1983–84 to 1985–86.

**Transfers between functional programmes**

The Civil Aviation Authority became regarded as a nationalised industry, consequently central government lending was transferred from the industry, energy, trade and employment programme to the government lending to nationalised industries programme.

[1] See *Cmnd* 8797, Volume Two, Part 5, p 126.

# Monthly estimates of the public sector borrowing requirement

Paul Luke, Central Statistical Office*

### Introduction

On 3 November the Chancellor of the Exchequer informed Parliament[1] of the decision to publish calendar month figures of the public sector borrowing requirement (PSBR). The Central Statistical Office and HM Treasury published the first in the new monthly series of press notices on 16 November. Prior to this, the only published figures for the PSBR as a whole were for calendar quarters. This article describes how the monthly estimates are compiled, including how they relate to the quarterly PSBR, the timeliness of the figures and the likelihood of revision.

### Background

The PSBR is an indicator of the extent to which the public sector borrows to finance its expenditure rather than meeting it from current revenues.[2] It is therefore an important statistic for interpreting the impact of government policies on the economy and considerable weight is attached to it in the government's financial strategy. Financial year projections of the PSBR are now published in the Industry Act Forecast which appears twice a year, in the Autumn Statement and in Financial Statement and Budget Report (FSBR). This year's FSBR, for example, referred to the objective of achieving 'progressive reductions' in the PSBR as a percentage of money GDP.[3] The narrower measure of the central government borrowing requirement (CGBR)—which has for some years been measured over calendar and 'banking' months[4]—is a less informative indicator of the government's fiscal stance. This is because the CGBR is affected when borrowing by public corporations and local authorities is switched between the financial markets and the National Loans Fund (ie central government). These switches, which are not relevant when assessing fiscal policy, do not affect the PSBR in total.

Monthly statistics of the PSBR have been developed over the last two or three years and are now considered reliable enough for publication. The PSBR therefore joins a number of other major economic statistics which are published as monthly series.

### Components already published monthly

The PSBR can be looked at in two ways.

It can be seen as the sum of the CGBR and local authorities' and public corporations' 'contributions' to the PSBR. The CGBR includes borrowing by central government for its own purposes and direct on-lending to the rest of the public sector; the 'contributions' of local authorities and public corporations to the PSBR are their borrowing from sources other than central government, less their net purchases of other public sector debt.

Alternatively, it can be seen as the sum of central government borrowing on own account (CGBR(O)), which excludes direct on-lending to local authorities and public corporations, *plus* the local authorities borrowing requirement (LABR) and the public corporations borrowing requirement (PCBR).

Of these various components, only two have been published monthly before (the CGBR and LABR), although a third (the local authorities' contribution to the PSBR) has been broadly deducible from published figures.

Calendar month estimates of the CGBR have until now been included in a monthly press notice published (since 1976) by HM Treasury. With the main exception of the adjustment made for interest and index-linking accrued on national savings,[5] the CGBR is a cash measure recording money flowing over various centralised funds and accounts, mainly held at the Bank of England. It can therefore be measured promptly and accurately after the end of each month. Revisions to any month's figures are generally very small in relation to the GCBR total—usually less than £20 million.

Calendar month estimates of the LABR have also been published for some years. They appear in Table 4.4 and Supplementary Table S8 of Financial Statistics. These estimates are less reliable and less timely than those for the CGBR. They are based on a monthly sample survey of borrowing by some 160 of the 547 local authorities in the United Kingdom, covering over half of total outstanding debt. At the end of each quarter, further returns are received by the Department of the Environment from the local authorities not included in the sample, showing their borrowing over the whole quarter; this enables the LABR to be definitively measured over calendar quarters. Differences between the monthly and quarterly figures can arise because of the unavoidable statistical imperfections of forming 'population' estimates from samples. The monthly estimates are constrained to the quarterly LABR, leading to revisions to the monthly figures which are usually somewhat larger than those for the CGBR.

Within the published LABR figure, borrowing from central government (mainly the Public Works Loan Board (PWLB)) has been shown separately. Subtracting this series from the LABR total gives a close estimate of local authorities' contribution to the PSBR, although, technically, some other small borrowings direct from government departments and from Northern Ireland government also need to be subtracted.

### New components

Recent effort has been concentrated on developing a monthly estimate of the PCBR, the main piece needed to complete a monthly estimate of the PSBR. The quarterly sources of the PCBR are more fragmented than for the CGBR and LABR, which are calculated in total by measuring borrowing as recorded by central government and local authorities themselves. There is no comprehensive survey providing borrowing figures for all public corporations. Some direct information is obtained and this source will be extended, but the data used in quarterly PCBR calculations are mainly taken from a number of 'counterpart' sources (eg bank lending to public corporations as reported by the monetary sector) and from intermediaries involved in the transactions.

The production of monthly PCBR estimates using sources consistent with those employed in the quarterly estimates has been problematic. Some of the information

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can be derived from the same sources, for example borrowing from overseas and transactions in central government debt. In other cases, the sources cannot be adapted to producing monthly data. In these circumstances, two options are available. First, where the numbers involved are small, figures for past months can be derived by interpolating quarterly figures. For current months, zero is often the best estimate of what the eventual (interpolated) figure will be—this is the case with public corporations' small transactions in marketable debt. For other series, where the quarterly figures have a predictable quarterly pattern, estimates of current months can be made by extrapolation—this is the method applied to borrowing by public corporations from their pension funds. Second, where the numbers involved are large, an alternative data source can be sought. For example, in the period before July 1982, in the absence of calendar month reporting by the monetary sector, the figures for sterling bank borrowing are taken from short returns made to the Central Statistical Office by nationalised industries and the regional water authorities. (From July 1982 onwards, the bank lending estimates have been taken from returns made by a sample of monetary sector institutions.)

Table 1 summarises the sources of the monthly and quarterly estimates of the PCBR.

Another new monthly component is the CGBR(O). Monthly figures have long been published for direct central government on-lending to local authorities through the PWLB. However, the only monthly figures previously published relating to on-lending to public corporations were for the money flowing into and out of the National Loans Fund (NLF). This is not an accurate measure of on-lending, as cash is channelled to and from public corporations through accounts which their sponsoring government departments hold with the Paymaster General. This cash is not always cleared immediately, ie, it is held within central government. The figures recorded on the NLF have to be adjusted to allow for this 'pipeline money' to get a true picture of money flowing over the central government boundary to and from public corporations. Furthermore, monthly figures have to be produced for other forms of on-lending, notably issues and repayments of Public Divided Capital, borrowing direct from government departments (sometimes called 'borrowing on Votes') and borrowing from Northern Ireland government. Some estimation is used and not all these data are available as quickly each month as the CGBR itself.

Using the monthly estimates of central government on-lending to public corporations also enables the public corporations' contribution to the PSBR to be derived.

**Revisions**

The monthly PCBR estimates are more prone to revision than those for the CGBR and LABR, although these revisions should not dramatically alter the picture given by the first estimates. Revisions arise in two ways. First, some of the components of the PCBR are inclined to alter month-by-month as provisional estimates are replaced by more solid figures. Latest months' estimates of the national savings timing adjustment—which reflects changes in the Post Office's working balance for its national savings business (and is therefore included in public corporations' transactions in central government debt)—are frequently revised for this reason. The second way in which revisions are generated is when authoritative quarterly figures are produced and they are different from those produced by the monthly sources. When this occurs, the differences are smoothed equally over the three months of the quarter, the same method of constraining as is used for the LABR. Some constraining is needed for most of the major components of the PCBR, including central government on-lending to public corporations, but the series in the PCBR which requires most constraining is sterling bank lending to public corporations.

Before July 1982, the need for constraining sterling bank lending to public corporations arose because the monthly source (special returns from nationalised industries and regional water authorities) was not identical to the quarterly source (monetary sector). The discrepancies were probably caused by timing and coverage differences. Since then constraining has also been required because the sample of monetary sector institutions from which bank lending figures are taken does not always behave in the same way as the rest of the sector. Some substantial revisions to individual months' figures are possible on this account, although an extension of the monthly sample introduced last month will probably help reduce the size of revisions.

Taking account of the size of potential revisions already described and a number of other smaller revisions which are possible, revisions to the PSBR in any one month of over £200 million are possible. However, allowing for the sampling improvements already outlined and the possibility that the revisions to individual components will rarely be all in the same direction, revisions to the PSBR of that size are unlikely to be frequent.

**Presentation and publication of the figures**

The new monthly estimates are published in a press notice issued jointly by HM Treasury and the Central Statistical Office. Table 2 shows the series presented in the first press notice, though in slightly more detail. The monthly series begin in January 1981, which is the earliest month for which the PCBR can be estimated and hence the PSBR. As already stated, the monthly figures are consistent with the quarterly and annual figures over the period, which are also shown in the table.

The monthly estimates are not seasonally adjusted. Seasonal adjustment on its own is not a good guide to underlying trends in the PSBR, as the series has been affected by many large irregular items in recent years. The CGBR(O) has been affected by special sales of assets, the civil servants' strike, adjustment to national insurance rates, advance payments on BNOC oil and the rephasing of wine and spirits duties. The LABR has been affected by industrial action by local authority rates collectors, some sharp changes in local authorities' holdings of bank deposits and movements in the timing of the pay settlement dates of local authority employees. The PCBR has been affected by the Post Office billing strike and alterations in the pattern of trade credit given and received by public corporations. The impact of these and other irregular items can be massive, so it is imprudent to make judgements on the underlying path of the PSBR on the basis of figures for part of the year, whether or not the figures are seasonally adjusted.

The new press notice replaces both the monthly press notice on the CGBR previously issued by HM Treasury on the seventh working day of each month and the quarterly press notice on the PSBR previously issued by the Central Statistical Office on the twelfth working day of each quarter. The new notice also gives a summary of the information on the central government funds and accounts transactions previously included in the monthly CGBR press notice. The full details of these trasactions, along with all series shown in the press notice tables, are transferred to the CSO

databank[6] on the day of the press release and appear in the subsequent edition of Financial Statistics.

## Timeliness

The new press notice will be issued on the twelfth working day following the month to which the figures relate, five working days later than the withdrawn CGBR press notice. CGBR figures are available quickly after the end of the month, but the LABR, PCBR and CGBR(O) figures take longer to produce. This is because they are based on more complex statistical exercises involving greater estimation and the aggregation of returns from a large number of data contributors.

[1] In a written answer to a Parliamentary Question by Mr McNair-Wilson concerning the publication of regular information about government borrowing, the Chancellor said:

> "I have been reviewing these arrangements to see what improvements are possible. In the light of that review, and the attention given to the present arrangements in the Report from the Select Committee on Procedure (Finance) in the last Session of the last Parliament, I propose to publish monthly figures for the PSBR, by means of a joint Treasury and CSO press notice, on the twelfth working day of the month following that to which they relate. The PSBR is a more comprehensive measure of public borrowing than the CGBR and is not affected by shifts in the financing of the local authorities and public corporations between the market and the National Loans Fund . . . The press notice will also contain figures for total central government borrowing, as well as borrowing by local authorities, public corporations and, as suggested in the Report of the Procedure Committee, borrowing by central government on its own account."

Hansard, 3 November 1983, Written Answers, col 451.

[2] A fuller description of the significance of the PSBR, how it is defined and how it is measured quarterly, can be found in 'Measuring the public sector borrowing requirement' by John Alexander and Susan Toland in *Economic Trends* No 322, August 1980.

[3] Financial Statement and Budget Report 1983–84, page 7.

[4] Banking months are the periods between the third Wednesday of each month (in December, the second Wednesday). On these days, monetary sector institutions draw up balance sheet returns from which the Bank of England derive statistics of the monetary sector's deposit liabilities, which form part of the various measures of the money stock. The credit and external and foreign currency counterparts to changes in sterling M3 (basically the inter-sectoral financial flows accompanying those changes) are also calculated for banking months. One accounting identity within this counterpart presentation shows that sterling M3 will tend to increase to the extent that the PSBR is financed by issuing notes and coin to the public or by borrowing from the monetary sector. For this reason, the CGBR is estimated for banking months, together with the sectoral analysis of its financing. However, no banking month figures are available for the LABR or PCBR in total, as there are no data for how much local authorities and public corporations borrow from the non-bank private sector. The counterpart analysis is limited to their borrowing from the monetary sector, overseas and net lending within the public sector. For a more detailed description, see Section 11 of *Financial Statistics Explanatory Handbook* (FSEH), April 1983.

[5] See FSEH, Section 3.

[6] A description of this data service and how to access it is given on the inside of the front cover of *Financial Statistics*.

## Sources of PCBR statistics

Table 1

| Instruments | Source | |
|---|---|---|
| | Months† | Quarters |
| Direct borrowing from central government | NLF, adjusted for 'pipeline money', and other central government accounts data | Returns from government departments and other central government accounts data |
| Other borrowing from the public sector | Central government accounts (including some Exchange Equalisation Account data) and the monthly sample survey of local authorities' borrowing and lending | Central government accounts (including some Exchange Equalisation Account data) and the quarterly census of local authorities' borrowing and lending |
| Overseas official financing (including borrowing from the monetary sector under the exchange cover scheme) | Exchange Equalisation Account data | Exchange Equalisation Account data |
| Sterling bank borrowing | January 1981 to June 1982: nationalised industries and regional water authority returns. July 1982 onwards: monthly sample of the monetary sector. | Quarterly balance sheet return to the Bank of England by the whole monetary sector |
| Foreign currency borrowing outside the exchange cover scheme (including borrowing from the monetary sector) | HM Treasury/Bank of England | HM Treasury/Bank of England |
| Borrowing from other financial institutions (mainly pension funds) | Interpolation of quarterly figures; months of current quarter estimated statistically | Quarterly returns by pension funds to Department of Trade |
| Borrowing from persons and industrial and commercial companies | Interpolation of quarterly figures; zero estimates made for current quarter | Quarterly returns by some public corporations to the Central Statistical Office (CSO) |
| Transactions in other public sector debt: | | |
| (i) local authorities | | |
| (*a*) marketable | Interpolation of quarterly figures; zero estimates made for current quarter | Quarterly returns by some public corporations to the CSO |
| (*b*) non-marketable | Monthly sample survey of local authorities' borrowing and lending | Quarterly census of local authorities' borrowing and lending |
| (ii) central government | Central government accounts and Bank of England | Central government accounts and Bank of England |

† Where the monthly estimates differ from the quarterly figures, the difference is smoothed equally over the months of the quarter.

## Monthly estimates of the public sector borrowing requirement

Table 2

£ million

| | Central government | | Local authorities | | | | | Public corporations | | | | | Public sector |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Direct borrowing from central government | Borrowing from other sources | Purchases of other public sector debt (+) | | | Direct borrowing from central government | Borrowing from other sources | Purchases of other public sector debt (+) | | | |
| | CGBR | *of which:* own account CGBR(0) | | | Central government | Public corporations | LABR | | | Central government | Local authorities | PCBR | PSBR |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| **Not seasonally adjusted** | | | | | | | | | | | | | |
| **1981** | 10 231 | 9 946 | − 697 | 1 098 | 15 | − 33 | 419 | 982 | −182 | 315 | 92 | 393 | 10 758 |
| **1982** | 7 785 | 4 011 | 1 352 | −1 668 | 3 | − 66 | − 253 | 2 422 | −343 | 305 | 84 | 1 690 | 5 448 |
| **1981/82** | 7 695 | 6 480 | −1 172 | 1 179 | 11 | 123 | − 127 | 2 387 | 365 | 329 | − 37 | 2 460 | 8 813 |
| **1982/83** | 12 614 | 7 140 | 2 755 | −2 512 | 5 | −178 | 416 | 2 719 | −874 | 188 | 47 | 1 610 | 9 166 |
| **1981** *1* | − 127 | 317 | 236 | 525 | 4 | − 55 | 812 | − 680 | −512 | 62 | 103 | −1 357 | − 228 |
| *2* | 7 501 | 7 329 | − 273 | 342 | 31 | − 2 | 40 | 445 | 195 | 94 | 59 | 487 | 7 856 |
| *3* | 2 240 | 1 847 | − 373 | 245 | −28 | − 32 | − 68 | 766 | −251 | 43 | 35 | 437 | 2 216 |
| *4* | 617 | 453 | − 287 | − 14 | 8 | 56 | − 365 | 451 | 386 | 116 | −105 | 826 | 914 |
| **1982** *1* | −2 663 | −3 149 | − 239 | 606 | — | 101 | 266 | 725 | 35 | 76 | − 26 | 710 | −2 173 |
| *2* | 3 098 | 3 174 | − 105 | − 10 | — | − 58 | − 57 | 29 | − 22 | 64 | 198 | − 255 | 2 862 |
| *3* | 2 497 | 937 | 630 | − 730 | − 1 | − 32 | − 67 | 930 | −126 | 56 | − 63 | 811 | 1 681 |
| *4* | 4 853 | 3 049 | 1 066 | −1 534 | 4 | − 77 | − 395 | 738 | −230 | 109 | − 25 | 424 | 3 078 |
| **1983** *1* | 2 166 | − 20 | 1 164 | − 238 | 2 | − 11 | 935 | 1 022 | −496 | − 41 | − 63 | 630 | 1 545 |
| *2* | 5 456 | 3 691 | 1 373 | − 930 | 2 | − 17 | 458 | 392 | −305 | 281 | 136 | − 330 | 3 819 |
| *3* | 3 391 | 2 872 | 296 | − 283 | 15 | 3 | − 5 | 223 | 232 | − 62 | 162 | 355 | 3 222 |
| **1981** *J* | −1 756 | −1 859 | − 6 | − 246 | — | − 12 | − 240 | 109 | −114 | − 7 | 15 | − 13 | −2 112 |
| *F* | 676 | 708 | − 81 | 87 | 1 | − 3 | 8 | 49 | −262 | 7 | 145 | − 365 | 351 |
| *M* | 953 | 1 468 | 323 | 684 | 3 | − 40 | 1 044 | − 838 | −136 | 62 | − 57 | − 979 | 1 533 |
| *A* | 2 442 | 2 448 | − 59 | 425 | 2 | − 2 | 366 | 53 | 164 | 12 | 29 | 176 | 2 990 |
| *M* | 2 762 | 2 736 | − 129 | 77 | 2 | − 1 | − 53 | 155 | − 65 | 32 | 34 | 24 | 2 707 |
| *J* | 2 297 | 2 145 | − 85 | − 160 | 27 | 1 | − 273 | 237 | 96 | 50 | − 4 | 287 | 2 159 |
| *J* | 1 992 | 1 884 | − 67 | − 97 | −28 | − 20 | − 116 | 175 | −151 | − 44 | 60 | 8 | 1 776 |
| *A* | − 138 | − 210 | − 93 | 37 | 27 | 4 | − 87 | 165 | −147 | 35 | 2 | − 19 | − 316 |
| *S* | 386 | 173 | − 213 | 305 | −27 | − 16 | 135 | 426 | 47 | 52 | − 27 | 448 | 756 |
| *O* | − 430 | − 494 | − 54 | 134 | 17 | 20 | 43 | 118 | 228 | 68 | 24 | 254 | − 197 |
| *N* | 222 | 172 | − 128 | − 458 | − 8 | 28 | − 606 | 178 | 127 | 20 | −101 | 386 | − 48 |
| *D* | 825 | 775 | − 105 | 310 | − 1 | 8 | 198 | 155 | 31 | 28 | − 28 | 186 | 1 159 |
| **1982** *J* | −2 216 | −2 183 | − 78 | − 195 | — | 62 | − 335 | 45 | 92 | − 62 | − 64 | 263 | −2 255 |
| *F* | 130 | 1 | − 99 | 20 | — | 28 | − 107 | 228 | −220 | 13 | 158 | − 163 | − 269 |
| *M* | − 577 | − 967 | − 62 | 781 | — | 11 | 708 | 452 | 163 | 125 | 120 | 610 | 351 |
| *A* | 790 | 1 002 | 8 | 337 | 21 | − 73 | 397 | − 220 | −150 | 71 | 97 | − 538 | 861 |
| *M* | 1 113 | 1 247 | − 97 | − 22 | −21 | 33 | − 131 | − 37 | − 14 | − 13 | 19 | − 57 | 1 059 |
| *J* | 1 195 | 925 | − 16 | − 325 | — | − 18 | − 323 | 286 | 142 | 6 | 82 | 340 | 942 |
| *J* | 678 | 387 | 63 | − 197 | — | − 9 | − 125 | 228 | − 4 | 5 | 89 | 130 | 392 |
| *A* | 1 512 | 958 | 492 | − 355 | — | 7 | 130 | 62 | −172 | 19 | −132 | 3 | 1 091 |
| *S* | 307 | − 408 | 75 | − 178 | − 1 | − 30 | − 72 | 640 | 50 | 32 | − 20 | 678 | 198 |
| *O* | 900 | 146 | 395 | − 276 | 2 | − 13 | 130 | 359 | −206 | −180 | 97 | 236 | 512 |
| *N* | 1 892 | 1 309 | 404 | − 896 | 1 | − 36 | − 457 | 179 | −135 | 136 | −120 | 28 | 880 |
| *D* | 2 061 | 1 594 | 267 | − 362 | 1 | − 28 | − 68 | 200 | 111 | 153 | − 2 | 160 | 1 686 |
| **1983** *J* | −1 791 | −1 976 | 63 | − 192 | — | 27 | − 156 | 122 | 7 | −114 | − 38 | 281 | −1 851 |
| *F* | 1 143 | 685 | 265 | − 90 | 1 | − 4 | 178 | 193 | − 93 | − 47 | 5 | 142 | 1 005 |
| *M* | 2 814 | 1 271 | 836 | 44 | 1 | − 34 | 913 | 707 | −410 | 120 | − 30 | 207 | 2 391 |
| *A* | 1 192 | 882 | 364 | 169 | 4 | 25 | 504 | − 54 | 59 | 110 | 156 | − 261 | 1 125 |
| *M* | 1 717 | 1 502 | 121 | − 283 | − 1 | − 60 | − 101 | 94 | − 94 | − 99 | − 11 | 110 | 1 511 |
| *J* | 2 547 | 1 307 | 888 | − 816 | − 1 | 18 | 55 | 352 | −270 | 270 | − 9 | − 179 | 1 183 |
| *J* | 932 | 722 | 255 | − 337 | 4 | 13 | − 99 | − 45 | − 4 | −129 | 289 | − 209 | 414 |
| *A* | 1 295 | 1 344 | − 10 | 57 | 12 | − 18 | 53 | − 39 | 91 | 10 | − 99 | 141 | 1 538 |
| *S* | 1 164 | 806 | 51 | − 3 | − 1 | 8 | 41 | 307 | 145 | 57 | − 28 | 423 | 1 270 |
| *O* | − 29 | 89 | 185 | − 127 | 3 | 8 | 47 | − 303 | 281 | 137 | − 85 | − 74 | 62 |

Relationship between columns: 1 = 2 + 3 + 8  7 = 3 + 4 − 5 − 6  12 = 8 + 9 − 10 − 11

Contributions to public sector borrowing requirement:

Central government = 1  General government = 1 + 4 − 5 − 6 = 1 − 3 + 7

Local authorities = 4 − 5 − 6  Public corporations = 9 − 10 − 11

Public sector borrowing requirement = 13 = 2 + 7 + 12 = 1 + 4 − 5 − 6 + 9 − 10 − 11

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*United Kingdom balance of payments; National income and expenditure.* In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).


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